

United Nations Economic and Social Commission for Western Asia
UN-ESCWA

4th Meeting of the Inter-Agency Coordination Group

Washington, DC, USA

23-25 October 2017

ICP REGIONAL STATUS IN WESTERN ASIA





OUTLINE

- Interim Activities
- Notes and Recommendations - *Outcomes of the Regional Workshop for the Validation of Retrapolated Household and Non-Household Consumption Data for 2014-2015*
- 2017 ICP Cycle
- Regional Risk Assessment
- Planned Regional Activities
- Beyond the 2017 ICP Cycle

INTERIM ACTIVITIES



REGIONAL INTERIM ACTIVITIES

Since the end of the 2011 ICP round, Western Asia has been striving to produce annual PPPs, build member states' capacities in price statistics and national accounts, and increase the integration between ICP and CPI activities;

The interim activities performed by Western Asia between the 2011 ICP round and the 2017 ICP cycle include:

- Extrapolation of PPPs for 2012-2013
- 2016 regional round for PPP production which will result in the production of PPPs for 2016-2015-2014
- Production of sub-national PPPs
- Production of a harmonized CPI (HCPI)

PROGRESS IN THE 2016 REGIONAL PPP PRODUCTION ROUND

Collection and validation activities for 2016 price data are complete;



Retrapolation/ collection activities for 2014-2015 price data are complete;



A round of validation for 2014-2015 price data was performed;



National Accounts activities for 2014-2015-2016 are in progress and data is being received from member states;



The results of the 2016 regional round for PPP production are expected to be finalized by March 2018 and published by June 2018.



PERFORMED ACTIVITIES

- I. 2 back-to-back regional workshops (April 2017):
 - i. Regional ICP workshop for the validation of annual price data aimed at the final regional validation of the 2016 HHC and non-HHC price data:
 - Sessions were conducted for intra-country validation of HHC data (4 quarters of 2016) and inter-country validation of HHC and special survey data;
 - Member countries performed checks of accuracy for highlighted outliers.
 - ii. Regional ICP workshop for launching National Accounts activities consisted of training the participating countries' National Accounts experts on estimating national accounts expenditures at detailed levels using MORES:
 - The workshop included hands-on training sessions wherein the NA experts started working on the estimation of NA expenditures for 2014, 2015 and 2016;
 - The updated 2017 MORES was presented for use in the 2017 ICP cycle.

PERFORMED ACTIVITIES (CONT'D)

II. National workshop for Libya and Tunisia (June 2017):

- Assessment of existing capacities in Libya & Tunisia for the participation in the 2017 ICP cycle within WA;
- Providing training on the use of the ICP Kit as it is an essential part of the program in WA;

 *The workshop resulted in Libya's participation in the program within Western Asia (first participation in the ICP).*

III. Joint meeting with the World Bank on special participation in the ICP (September 2017);

IV. Workshop for the computation of the HCPI (September 2017):

This workshop aimed at the presentation of the updated harmonized lists, delivery of notes on the computation methodology, and hands-on exercise for the computation of the national harmonized indices.

PERFORMED ACTIVITIES (CONT'D)

V. Regional workshop for the validation of retrapolated HHC and non-HHC data for 2014-2015(October 2017):

A regional workshop was held in October 2017 for the validation of retrapolated data for 2014-2015 under the framework of the 2016 regional round for PPP production;

The workshop included temporal intra-country validation sessions for 2016, 2015 and 2014 data and inter-country validation sessions for 2015 and 2014 data;

The challenges encountered in the retrapolation process were discussed and best practices and lessons learned were shared;

Member states will review their data according to the notes delivered during the workshop.

NOTES AND RECOMMENDATIONS

Outcomes of the Regional Workshop for the Validation of
Retrapolated Household and Non-Household Consumption
Data for 2014-2015



REGIONAL WORKSHOP OUTCOMES

- The regional team will work on extracting the most important points in each survey and compiling best practices for use in Western Asia's future strategy of regular PPP production;
- The following outcomes resulted from the workshop:
 - Countries will start providing actual data for electricity, water, fuel, transportation and communication items, as well as all the items for which they can provide actual data for the years 2014-2015 and ahead in order to improve data quality and results;
 - The regional team's objective out of conducting annual data collection for special surveys is to enable countries to establish a contact with the focal point for each survey which participating countries see as an important benefit from participation in the ICP; some countries have already established contact with data suppliers enabling them to obtain/review data on a regular basis, while others are currently working on establishing this contact;
 - Under this framework, while validating the construction survey, the regional team recommended that the survey be revisited by all countries in order to review remaining discrepancies; for this purpose, the regional team is working on highlighting outliers for each country to review with their construction focal point.

REGIONAL WORKSHOP OUTCOMES (CONT'D)

- Discussions took place with member countries which resulted in an agreement regarding the production of PPPs at a more detailed level and the provision of capital average prices to improve global linking and comparison with other regions;
- Through the regular production of PPPs in Western Asia, work is invested in improving national statistical practices and infrastructure through integration with the ICP:
 - Updating national CPI lists to include ICP items;
 - Developing new national indices through the participation in the ICP, such as a compensation index and a construction index;
- Western Asia's ICP team will guide and assist member countries in the production of national price indices such as a construction index or a Machinery and Equipment index.

RECOMMENDATIONS

- Providing reference prices for M&E items, especially software and computer items which usually have uniform prices across countries – this point has been requested many times before and would be helpful to ensure countries are pricing the same items;
- Western Asia's regional team is planning on dedicating a session in a future workshop for discussing PPP-related SDG indicators and increasing awareness on the use of PPPs in different areas, such as economic analysis, evidence-based policy making and other areas in which the World Bank is developing supporting documents and material;

For this purpose, we would require input from the World Bank to further elaborate on the above mentioned topics.

RECOMMENDATIONS (CONT'D)

- Incorporating quality of service in HHC service items through more detailed specifications, such as passenger transport by road items where the quality of bus transportation can differ (air conditioning, etc.) leading to big differences in prices.

Item Code	110732101	110732103	110732104	110732106	110732108
Item Name	Urban (city) bus, 5-15 km	Interurban (InterCity) bus, 50 Km	Interurban (InterCity) bus, 150 Km	Mini bus (urban)	Taxi
Included in Eurostat	11.07.32.1.01.aa	11.07.32.1.01.db	11.07.32.1.01.dd	No	11.07.32.1.02.fa
Number of units	1	1	1	1	1
Unit of	Ticket	Ticket	Ticket	Ticket	Service
Transportation Type	Urban bus	Urban bus	Urban bus	Minibus	Taxi
Ticket type	One way fare, for adult passenger	One way fare, for adult passenger	One way fare, for adult passenger	One way fare, for adult passenger	
Distance	5 - 15 Km	50 km	150 km		7 km in the city
Time	Working day	Working day	Working day		Working day, 3 p.m.
Starting point	Survey city center	Survey city center	Survey city center	Survey city center	Anywhere in the city center
Price includes					starting fee, price per km
Excludes	Price reductions (such as discount or special offer only for best customers)	Price reductions (such as discount or special offer only for best customers)	Price reductions (such as discount or special offer only for best customers)		Taxi called by telephone, requested break in journey, luggage

2017 ICP CYCLE IN WESTERN ASIA



2017 ICP CYCLE IN WESTERN ASIA

- 13 ESCWA member states are participating in the 2017 ICP cycle within Western Asia;
- 3 of these countries have dual participation in both Western Asia and Africa;
- 2 member states which did not partake in the 2016 regional round are joining the 11 participating countries in the 2017 ICP cycle (Libya and UAE).

2017 ICP CYCLE IN WESTERN ASIA (CONT'D)

Member states' participation in the 2017 ICP cycle within Western Asia is divided into two groups:

- A. Countries which have participated in the 2016 regional round for PPP production; This group will only perform data collection in 2017 for special surveys and a subset of Fast Evolving Technology items within the HHC item list in quarters 2 and 4, while the rest of the HHC items will be extrapolated from 2016 to 2017 using quarterly CPI data at the most detailed level;
- B. Countries which have not participated in the 2016 regional round for PPP production; This group will perform actual data collection for the special surveys as well as the whole HHC regional item list while replacing the Fast Evolving Technology items with the updated 2017 items.

2017 ICP CYCLE IN WESTERN ASIA (CONT'D)

- Data collection activities for the 2017 ICP cycle in Western Asia are currently in progress;
- The 2017 ICP cycle will result in the production of PPPs for 2017 and 2018 through a combination of actual data collection and extrapolation, thus complementing Western Asia's PPP time series;
- Results for the 2017 ICP cycle are planned to be finalized and published in December 2019.

OPERATIONAL MATERIAL FOR THE 2017 ICP CYCLE

- To ensure comparability with the other regions, Western Asia is using the 2017 global special surveys;
- The regional team worked on the development of the bilingual regional special surveys for rentals, construction, private education and government compensation and survey catalogues for construction and rentals;
- The global Machinery and Equipment survey was provided to the member countries with a catalogue developed by the World Bank.

OPERATIONAL MATERIAL FOR THE 2017 ICP CYCLE (CONT'D)

- As for Household Consumption, Western Asia developed a bilingual Fast Evolving Technology (FET) item list and catalogue;
- The FET item list contains the technological items which are updated every year, such as phones, cars, etc.

<p>HHC Fast Evolving Technology Item List لائحة البنود التكنولوجية السريعة التغير من الاستهلاك الأسري</p> <p>ICP 2017 Round دورة 2017 من برنامج المقارنات الدولية</p> <p>in في</p> <p>Western Asia Region إقليم غربي آسيا</p>	<p>Telephone and telefax equipment</p> <p>معدات التلّفون والتلّفاكس</p> <p>1108211</p>	BH Name	Telephone and telefax eq	معدات التلّفون والتلّفاكس	سماة التلّفون الرّسيمي
		BH Code	1108211		1108211
		Item Code	110821101	110821101	البرق
		Item Name	Mobile phone, APPLE iPhc	هاتف جوال آي فون 7	الاسم
		Quantity	1	1.00	الكمية
		Unit of measurement	Piece	قطعة	وحدة القياس
		Brand	Apple		العلامة التجارية
		Model	iPhone 7	فون 7	النموذج
		Type	Smart phone	هاتف ذكي	النوع
		Display size	4.7"	4.7	حجم الشاشة
		Internal storage	32 GB	32	الذاكرة
		Primary camera	12 MP	12	قوة الكاميرا
		Dual sim	No	2x	ازدواجية خط
		Exclude	7 Plus	Plus 7	استبعاد
		Specify	Model	النموذج	تفصيل
		Reference quantity	1	1	الكمية المرجعية
		Reference unit of measurement	Piece	قطعة	وحدة القياس المرجعية



2017 SURVEY TIMETABLE

- Data collection is progressing according to the set timetable and we have started to receive data from member countries:

Year	2017												2018											
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
HHC Data Collection				HHC FET						HHC FET														
HHC Data Validation							HHC FET							HHC FET										
M&E Data Collection										M&E														
M&E Data Submission											M&E													
Construction Data Collection							Construction																	
Construction Data Submission									Construction															
Private Education Data Collection										Education														
Private Education Data Submission											Education													
Rentals Data Collection						Rentals						Rentals				Volume 2017								
Rentals Data Submission							Rentals						Rentals					Volume						
Government Compensation Data Collection					Gov't Comp.																			
Government Compensation Data Submission						Gov't Comp.																		
National Accounts Data Submission															Preliminary MORES 2017						Final MORES 2017			

REGIONAL RISK ASSESSMENT



REGIONAL RISK ASSESSMENT AND MITIGATION MEASURES

- At the regional level, one of the most important challenges relates to the channeling of funds for the implementation of the ICP and the organization of workshops and capacity building activities;
- Although the cost of implementing the program activities has decreased from the 2011 ICP round to the 2017 ICP cycle due to the continuous production of PPPs which contributed to the capacity building of member states, enabling NIAs to benefit from the lessons learned and best practices to improve the work on the program, a need for funding still remains;
- In order to solve this issue and secure funding, the regional office always undertakes efforts to secure funding for the sustainability of the regional activities under the framework of the ICP, mainly from the World Bank.

RISK ASSESSMENT AT THE NATIONAL LEVEL IN WESTERN ASIA COUNTRIES AND MITIGATION MEASURES

At the national level, the potential risks include:

- The instability of the geopolitical situation in many countries in the region: this problem has caused different countries which were interested in partaking in the ICP activities within Western Asia to be unable to participate;
- The possible risk of treating the ICP as an ad-hoc program has been addressed by the regional implementing agency which has been continuously developing initiatives for sustaining the production of PPPs and raising awareness on the importance of the program and its sustainability.

PLANNED REGIONAL ACTIVITIES



PLANNED REGIONAL ACTIVITIES IN THE UPCOMING PERIOD

- Workshop for the validation of National Accounts Expenditures (Dec 2017);
- Workshop for the computation of preliminary results for 2014-2015-2016 (Q1 2018);
- Workshop for the validation of 2017 price data for household consumption and non-household consumption surveys (Q1 2018);
- Workshop for the computation of final results for 2014-2015-2016 (March 2018).



The above workshops are the ICP-related workshops forecasted for the upcoming short-term and will be followed by additional workshops under the framework of the 2017 ICP cycle.

BEYOND THE 2017 ICP CYCLE

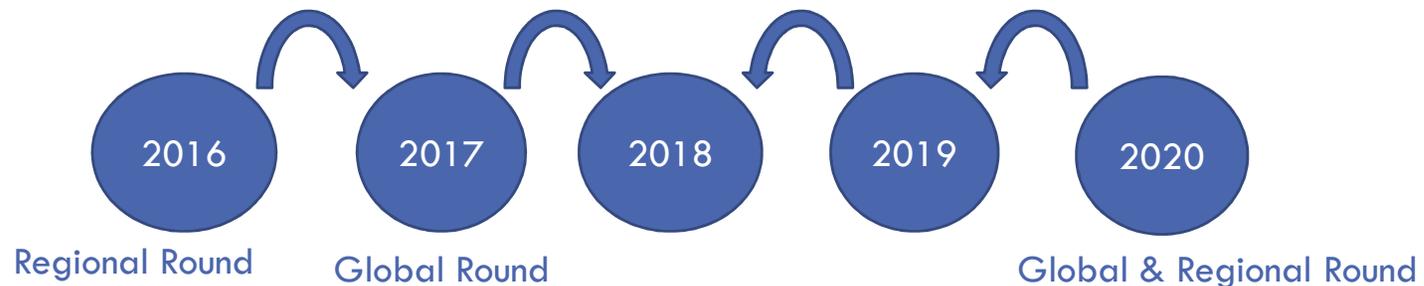


BEYOND THE 2017 ICP CYCLE

- The 2017 ICP cycle in Western Asia will result in the production of PPPs for 2017-2018;
- Since the ICP was adopted as a permanent program, global ICP cycles will be implemented regularly;
- To keep up with the global trend, Western Asia's next ICP round will also take place in 2020;
- The 2020 ICP cycle in Western Asia will consist of actual HHC data collection in 2020 along with extrapolation to 2021 and retrapolation to 2019 and 2018.

BEYOND THE 2017 ICP CYCLE

- Non-HHC data and FET-HHC data will be collected each year;
- Following this methodology, 2018 HHC data will be extrapolated from 2016-2017 and retrapolated from 2020-2019;
- The regional team will work on smoothing the 2018 data to ensure accurate results;



BEYOND THE 2017 ICP CYCLE

- By applying this methodology, Western Asia has been getting its countries used to data collection on an annual basis while highlighting the benefits of this practice on the long-term;
- In the 2011 ICP round, countries faced challenges in data collection; but with time, the burden associated with data collection was reduced;
- Member countries have started witnessing the advantage of annual data collection and are benefiting from the resulting effects in terms of improving their price statistics and their relationship with the data suppliers, thus enabling them to acquire the required data on a regular basis and update the previously collected data from their source.

TIMETABLE

Year	2017												2018											
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
HHC Data Collection				HHC FET						HHC FET						HHC FET						HHC FET		
HHC Data Validation							HHC FET							HHC FET					HHC FET					
M&E Data Collection											M&E											M&E		
M&E Data Submission												M&E											M&E	
Construction Data Collection							Construction											Construction						
Construction Data Submission									Construction											Construction				
Private Education Data Collection											Education											Education		
Private Education Data Submission												Education											Education	
Rentals Data Collection						Rentals						Rentals				Volume 2017		Rentals					Rentals	
Rentals Data Submission							Rentals						Rentals				Volume 2017		Rentals				Rentals	
Government Compensation Data Collection					Gov't Comp.											Gov't Comp.								
Government Compensation Data Submission						Gov't Comp.												Gov't Comp.						
National Accounts Data Submission														Preliminary MOES 2017							Final MOES 2017			

2019												2020												
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
			HHC FET						HHC FET						HHC FET									
										M&E														
						Construction																		
								Construction																
										Education														
											Education													
				Volume 2018		Rentals					Rentals				Volume 2019									
					Volume 2018		Rentals					Rentals				Volume 2019								
				Gov't Comp.																				
					Gov't Comp.																			
	Preliminary MOES 2018							Final MOES 2018						Preliminary MOES 2019						Final MOES 2019				

THANK YOU!

