

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

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ASSESSMENT OF INTERIM DATA

2012/13/14/15/16

OVERVIEW: INTERIM ACTIVITIES IN WESTERN ASIA

Aiming at the production of annual PPPs, Western Asia implemented different initiatives in the interim period between ICP rounds:

- Computation of PPPs for 2012-2013 through a combination of **collection and extrapolation** of price data from 2011;
- Implementation of a full PPP production round in 2016 resulting in the computation of PPPs for 2016-2015-2014 through a combination of **actual data collection and retrapolation**.

THE BEGINNING: 2012-2013 EXTRAPOLATION

- After the end of the 2011 ICP round, Western Asia aspired to continue the production of PPPs and construct a PPP time series;
- Hence, the idea of extrapolating 2011 prices to 2012 and 2013 emerged;
- Quarterly 2011 HHC prices were extrapolated by the RIA through the use of quarterly CPI data at the most detailed level;
- Special Survey data was either collected or extrapolated by member states through the use of appropriate indices;
- National Accounts Expenditures were estimated using MORES;



PPPs for 2012 and 2013 were computed and published in 2015.

THE 2016 REGIONAL ROUND FOR PPP PRODUCTION

- With the absence of a global ICP round in 2016, Western Asia's RIA implemented a regional round for PPP production in 2016;
- The 2016 regional round constitutes a *full PPP production round*;
- It entails data collection for a list of HHC items with detailed specifications containing a subset of global core items, data collection for 5 non-household consumption special surveys, and estimation of National Accounts expenditures;
- Moreover, data obtained is validated at the national and regional levels using the ICP software kit, thus ensuring data accuracy;
- Therefore, the only difference between the 2016 regional PPP production round and an ordinary ICP round is that it was performed at the regional level without the participation of other regions.

2016 REGIONAL ROUND FOR PPP PRODUCTION (CONT'D)

The 2016 regional round will result in the production of PPPs not only for 2016, but also for 2015 and 2014 through:

- Actual data collection of HHC and non-HHC data for 2016;
- Retrapolation of 2015 and 2014 HHC data by the RIA using detailed quarterly CPI data;
- Collection of non-HHC data for 2015 and 2014 by member states or retrapolation through the use of appropriate indices;
- Estimation of NA expenditures using MORES for 2016, 2015 and 2014.

REGIONAL EFFORTS: HHC RETRAPOLATION



WA's RIA retrapolated HHC data from 2016 to 2015 and 2014 by applying the change in CPI at the most detailed level:

Detailed CPI Data from member country CPI change from 2015 to 2014

Retrapolation at product level

COICOP Titles	Q1-2014	Q2-2014	Q3-2014	Q4-2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015	Inflation between 2015-2014				Average Prices for 2015					Average Prices 2014					
									Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Annual 2015	Q1	Q2	Q3	Q4	Annual 2014	
GENERAL CPI	120.6	120.60	122.4	122.8	123.4	123.20	124.3	124.7	-0.02	-0.02	-0.01	-0.02											
FOOD AND NON-ALCOHOLIC	150.2	144.10	148.5	149.4	150.1	147.78	151.3	157.5	0.00	-0.02	-0.02	-0.05											
Preserved milk	161.8	167.40	169.5	170.1	169.7	172.63	169.9	162.4	-0.05	-0.03	0.00	0.05											
condensed milk	136.9	138.10	139.2	144.6	136.4	135.62	137.1	129.1	0.00	0.02	0.02	0.12											
evaporated milk	163.9	166.30	165.2	162.8	161.9	185.29	175.4	174.0	0.01	-0.10	-0.06	-0.06											
powdered milk	158.8	168.00	171.5	173.2	173.1	169.55	168.1	153.7	-0.08	-0.01	0.02	0.13											
Infant powdered milk	170.4	171.70	173.8	173.6	174.4	174.32	174.4	177.0	-0.02	-0.02	0.00	-0.02											
yoghurt	100.0	100.00	100.0	100.0	100.0	100.00	100.0	100.0	0.00	0.00	0.00	0.00											
yoghurt cream	118.4	116.80	115.4	113.9	117.6	118.05	117.9	118.9	0.01	-0.01	-0.02	-0.04											
cream	118.4	116.80	115.4	113.9	117.6	118.05	117.9	118.9	0.01	-0.01	-0.02	-0.04											
milk based dessert	112.1	109.52	114.4	112.3	112.6	112.28	112.0	117.6	0.00	-0.02	0.02	-0.05											
cream caramel	107.2	107.80	109.4	109.9	107.7	108.72	108.0	109.3	0.00	-0.01	0.01	0.01											
Other Dairy Products	118.0	111.60	120.5	115.2	118.5	116.56	116.9	127.6	0.00	-0.04	0.03	-0.10											
Milkbased beverages	120.6	120.60	130.3	121.7	122.2	120.61	122.0	121.0	-0.01	0.00	0.07	0.01											
milk with different	144.5	147.20	180.4	148.5	150.6	145.02	150.0	144.5	-0.04	0.02	0.20	0.03											
laban	111.3	110.30	110.9	111.3	111.3	111.26	111.2	112.0	0.00	-0.01	0.00	-0.01											
Labna	125.7	127.50	126.2	126.9	129.2	128.95	134.2	129.7	-0.03	-0.01	-0.06	-0.02											

$$=AN85*(1+AF73)$$

NATIONAL EFFORTS: SPECIAL SURVEYS

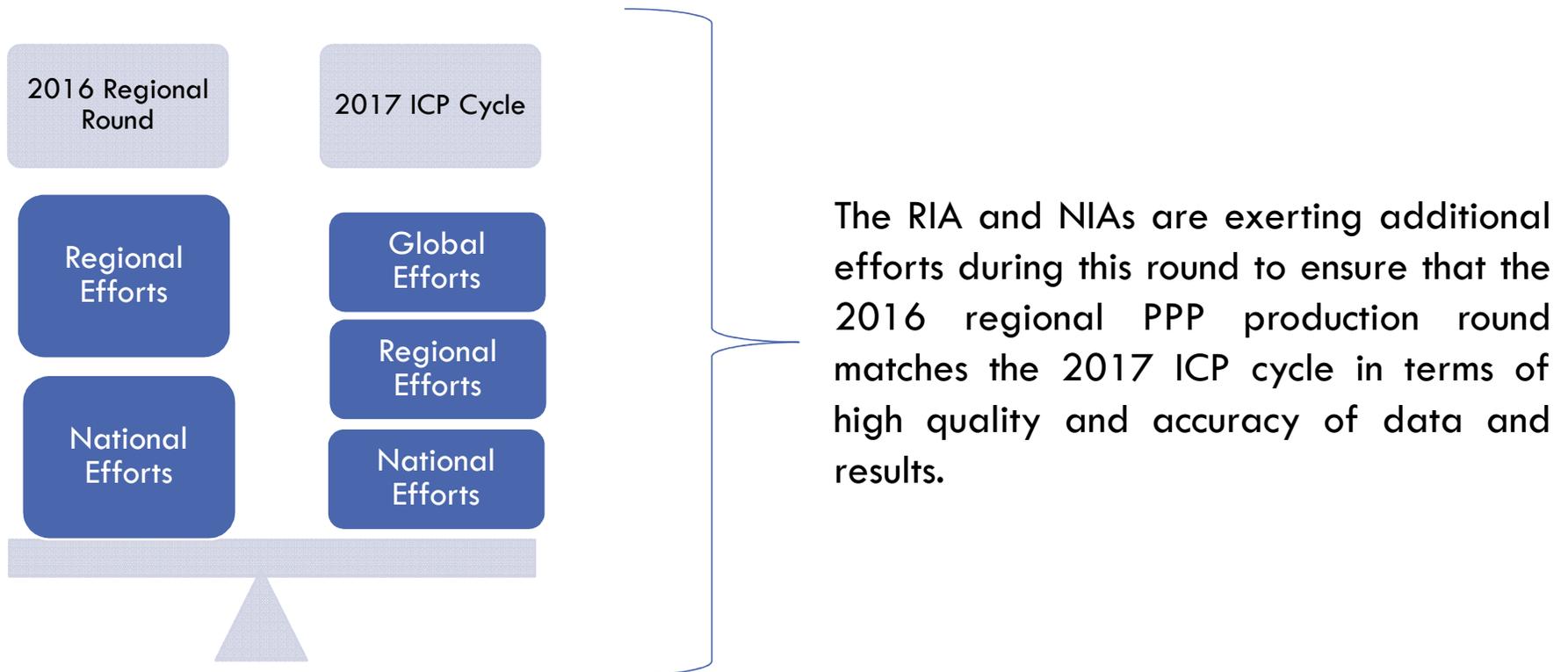


- Practices differed from one country to another in each special survey;
- Below are the compiled *best practices* for each survey:
 - Rentals: actual data from administrative real estate records;
 - Private Education: actual data from administrative records (same schools as 2016);
 - Government Compensation: actual data from salary scales;
 - Construction: a combination of construction costs and road costs indices, data from engineering offices and CPI (for fuel prices);
 - Machinery and Equipment: Machinery and Equipment Price Index (MEPI) in one country and actual data in another.

ASSESSMENT OF THE 2016 REGIONAL ROUND FOR PPP PRODUCTION

- The 2016 regional PPP production round will thus result in accurate PPPs at detailed levels which can be compared to the 2011 ICP round since the same methodology was followed;
- The 2016 results can also be linked globally to the other regions since a considerable amount of the collected prices refer to items common with the global lists;
- During this round, the RIA took a great burden away from member states through performing the retriapolation of HHC data;
- However, the agreement with member states to provide actual data for some of the items in the list is one step towards shifting the retriapolation/extrapolation exercise to be conducted by member states in future years by building capacities in this field, thus ensuring the regular production of PPPs.

ASSESSMENT OF THE 2016 REGIONAL ROUND FOR PPP PRODUCTION (CONT'D)



CONCLUSION

The capacities built from participation in the interim regional activities provide member states with the knowledge and expertise to develop the national statistical capacities and infrastructure and increase national output in the areas of price statistics and national accounts;

Moreover, the great benefits of regular PPP production witnessed from the participation in regional activities motivate member states to partake in the different initiatives undertaken by Western Asia's RIA, commit to the production of annual PPPs and place substantial efforts to provide accurate and high quality data.

THANK YOU!

| *The End*