

7th ICP Technical Advisory Group Meeting

The 7th ICP Technical Advisory Group meeting was held from September 17-18, 2012 at the World Bank in Washington, DC. The meeting was organized in five sessions: (i) Revisiting the Linking and Aggregation Methods; (ii) Review of 2011 Preliminary Data and Results; (iii) Government Services and Construction; (iv) Extrapolation; and (v) Summary of Recommendations and Next Steps.

The Technical Advisory Group was provided a detailed and comprehensive review of the data and metadata submitted to date by the regions. This analysis included price data related to both global core and regional items, GDP expenditure data, as well as importance indicators. The meeting made important recommendations on: (i) the treatment of outliers; (ii) the need for further testing of the use importance indicators; (iii) linking special participation cases; (iv) the use of productivity adjustment for non-market services; (v) the review of proposals for a new PPP extrapolation method; and (vi) comparing 2005 and 2011 ICP results. The 8th Technical Advisory Group Meeting will tentatively take place in Luxembourg on May 6-7, 2013.



7th ICP Regional Coordinators Meeting

The 7th ICP Regional Coordinators meeting was held from September 19-21, 2012 at the World Bank in Washington, DC. The meeting was organized to ensure the timeliness and quality of ICP data and metadata, and to confirm the use of the linking method for ICP 2011. The meeting covered the following sessions: (i) Status Reports, (ii) Validation of Preliminary Data, (iii) Outstanding Technical Issues, (iv) Releasing Final Results, and (v) Planning for 2012-2013.

The meeting reached decisions on the following: (i) the overall timetable and the upcoming milestone submission of regional data to the Global Office on December 2012 and March 2013; (ii) the revision of the 2005 benchmark PPP results and the need for a working note discussing the feasibility and implications of the revision process in light of several constraints (time, technical, resources, etc.); (iii) the further examination of importance and its use; (iv) the adoption of proposed operational classifications; and (v) the approach and tool for the computation of the national annual averages. The 8th Regional Coordinators' Meeting will tentatively take place in Luxembourg on May 8-10, 2013.



Inside this Issue

7th TAG Meeting	1
7th RC Meeting	1
7th EB Meeting	2
Regional Activities	2
Operational Tools and Materials	3
Special Interview 4	3
Upcoming Milestones and Activities	4

7th ICP Executive Board Meeting

The 7th ICP Executive Board meeting is scheduled for November 13, 2012 at the World Bank in Washington, DC. The ICP Report to the 44th UNSC Session as well as the Report to the Executive Board will be finalized and submitted to the Board later this month. The Global Office will report on the main Technical Advisory Group decisions and recommendations, including: (i) the implementation and feasibility of the new approach for linking regional PPPs, (ii) the use of importance and the choice of importance weights, and (iii) the risk assessment related to the quality and timeliness of data and metadata. The meeting will also discuss and agree on the 2011 ICP Data Access Policy.

Regional Activities

Africa

In June 2012, Africa held their 2nd regional data validation workshop. Countries were organized in five sub-regions — COMESA, ECCAS, ECOWAS, SADC and AMU — to review and discuss data collected in the 3rd and 4th quarters of 2011 as well as data collected in February and April 2012. This fall, technical missions will be undertaken to some of the problematic countries to resolve some outstanding issues. Additionally, sub-regional data validation workshops will be held in each sub-region to review the final quarterly price data and calculate countries' national annual average prices for Household consumption items.

Asia and the Pacific

A regional workshop and a focus group meeting were held from July 3-12, 2012 in Manila, Philippines. Following the analysis of results calculated from prices reviewed at the workshop, it was decided to organize country visits to selected countries. In this context, a joint mission of the Asian Development Bank and the World Bank was scheduled to take place in Beijing, People's Republic of China (PRC) on October 10-13, 2012 and Hong Kong on October 14-16, 2012. The mission primarily aims to discuss with the relevant National Statistics Offices the status of the ICP activities and the average prices collected for the 2011 ICP.

CIS

In the framework of the ICP advocacy activities in the CIS region, the CIS-STAT initiated the translation of the ICP Book into Russian. The translated ICP Book will be posted on the CIS-STAT website as well as on the ICP website.

LAC

The ICP regional workshop organized by the United Nations Commission for Latin America and the Caribbean was held in Aruba on August 28-31, 2012. The purpose of the workshop was to validate data collected by participating countries in the Caribbean for two quarters from October 2011 to March 2012. The workshop covered prices as well as National Accounts expenditure data and the preparations for the ICP specific surveys.

Eurostat-OECD

The OECD Meeting on PPPs for Non-European Countries was held in Ottawa, Canada from September 12-14, 2012. Discussion related to the work being carried out by these countries in the context of the 2011 ICP. Issues included: (a) the analysis of the preliminary results for the 2011 Round for Actual Individual Household Consumption and remaining issues; (b) the review of special surveys; (c) the assessment of national accounts expenditure data; and (d) data access policy. The aim was to review the OECD current data

access policy and to explore the possibilities to move towards a larger dissemination of data in line with the policy recommended by the ICP Executive Board without breaking the rules of confidentiality.

Pacific Islands

A second data validation workshop to discuss the data collected in the first three quarters of 2012 is scheduled for November 7-9, 2012 in Samoa. The main objectives of the workshop are: (i) to finalize data for the first two quarters; (ii) to ensure that the validation for subsequent quarters proceeds smoothly and timely; and (iii) to agree on the timetable.

Western Asia

A training workshop on National Accounts activities for the ICP was jointly organized by the United Nations Economic and Social Commission for Western Asia and the Global Office on July 17-18, 2012 in Amman, Jordan. In the workshop, step by step guidance for completing the MORES was provided for the delegates of 11 countries in the region.

Singleton Countries - Iran

A fourth series of joint meetings between the Central Bank of the Islamic Republic of Iran, Turkish Statistical Institute and the Global Office will be held in Ankara, Turkey from October 11-15, 2012. The purpose of the meetings is to discuss and agree on various technical aspects related to linking Iran to the 2011 ICP via Turkey.

Singleton Countries - Georgia

A joint meeting between the Georgia Statistical Office, the Armenia Statistical Office, and the Global Office consultants will be held in Tbilisi, Georgia on October 15-19, 2012. The meeting will: (i) discuss the progress in the implementation of the Georgia-Armenia bilateral ICP comparison; (ii) review the validated national annual average prices collected in 2011 for consumer goods and services, equipment goods, construction projects and government services, as well as housing stock data, expenditures, population, and exchange rates; and (iii) decide on the next steps.



LAC regional workshop, Aruba (August 28-31, 2012)

Operational Tools and Materials

Importance of the MORES

In order to calculate PPPs, both prices and expenditure data are needed. While prices are always imperative to the ICP, expenditure data are equally important. In the 2005 ICP, only expenditure values were requested from countries and not the underlying data and metadata. In the 2011 ICP, countries are requested to provide the latter using the MORES template.

The Global Office has already received a good number of country MORES for the latest year for which GDP estimates are available. Some of the MORES received are well-formulated, while others still need to be revised. Since the MORES are critical for calculating PPPs, it cannot be stressed enough how important it is for all MORES to be finalized. The table below displays the status of MORES received.

Status of submission of National Accounts expenditure data, as of September 30, 2012

REGION	National Accounts Breakdown to BH		Participation
	MORES	Other Format	
Africa	7	43	50
Asia-Pacific	-	20	23
CIS	8	-	10
Latin America	15	-	17
Western Asia	12	-	12
Caribbean Islands	8	-	20
Pacific Islands	-	-	20
Georgia	1	-	1
Iran	1	-	1
ICP Regions	52	63	154
OECD-EUROSTAT		46	47
(Dual Participation)			-4
Grand Total	52	109	197

ICP Kit

Version 4 of the ICP Kit was released on October 12, 2012 with new and improved features!

The Global Office organized a special training on version 4 of ICP Kit software modules in Washington DC, September 24-25, 2012. The objective of the meeting was to provide training, support, and hands-on exercises to users in the regions using the ICP Kit for price data entry, data validation and reporting. Participants from ECLAC and ESCWA attended the workshop.

During the sessions, participants were intro-

duced to new features of the regional modules including Setup and Diagnostics and Data Processing and Reporting modules. Improvements to country's modules and the newly introduced Specific Surveys module were also discussed. Regions were briefed on how to convert survey questionnaires for Construction, Education, Housing, and Machinery and Equipment Goods into ICP Kit format.

The Global Office will provide necessary guidance in order to ease the migration process from raw data to validation tables, including the computation of PPPs.

ICP Book Available Online by November

The ICP Book *Measuring the Real Size of the World Economy* brings together a presentation of the methodology available for international comparisons, the choices made for the 2005 ICP, the outcome of those choices, and steps to be taken to improve the quality of the data for the 2011 ICP.

The purpose is to make these developments available to researchers, users of PPPs, and those involved in the implementation of the programs. The book is to provide a forward looking view of methodological developments that can or will be taken to improve future comparisons. The full book will be available online at the beginning of November 2012.

Operational Guide Chapters on the Validation of Data and Metadata for ICP Special Surveys and the Computation of National Annual Averages

To support the ICP Regions in validating price and metadata for the ICP Special Surveys, the Global Office drafted a set of Operational Guide chapters, covering Education, Housing, Government Compensation, Machinery and Equipment, and Construction surveys. These chapters provide guidance on recommended steps and processes to validate special survey data and metadata, and subsequent PPPs.

A new Operational Guide chapter on the Computation of National Annual Averages was finalized. The chapter provides guidance to countries and Regional Coordinators on the approach and challenges for computing national annual averages in the ICP.

The materials are available on the ICP website at: <http://go.worldbank.org/YIR7WSNL40>.

Special Interview 4 Mr. Andrey Kosarev CIS Regional Coordinator



Q1. As Regional Coordinator of CIS, how would you describe any uniqueness of the ICP activities in the CIS region?

I would not say that there is any uniqueness of the ICP work in the CIS region. We do the same things which our colleagues do in other regions - establish an item list, collect data, validate data, and carry out the calculations. One feature worth noting: our basic principle is to use simple tools which ensure the necessary quality of the work. According to this principle, we use for example the Quaranta tables which are an exhaustive validation tool, and we use the OECD/Eurostat software based on exactly the same principle. Using this principle helps a lot in accomplishing our work with the national statistical offices effectively.

Q2. Your role involves coordinating data collection and validation for CIS. In your opinion, what do countries find most difficult about the ICP process and what measures are being taken to overcome these difficulties?

The most crucial request is to collect comparable basic data. Our item list includes 2,344 consumer items and 563 investment items. It includes the Global core list, items from the OECD/Eurostat list and the CIS regional items. Although there are exhaustive descriptions for all products included in the final list, the validation of prices remains one of the most important and labor-intensive activities in the whole comparison work. We consider the regional experts' meetings as a key tool to achieve sustainable quality basic data. During

Special Interview 4 (continued)

these meetings, we discuss data problems with our colleagues from the national statistical offices and effect the data validation.

Q3. Please describe any differences between 2005 ICP and 2011 ICP in CIS, and highlight the importance of the ICP to the CIS region. In addition to the global objectives, how can the 2011 ICP round better support countries in CIS?

There is no serious difference for the CIS countries between 2005 ICP and 2011 ICP. Thanks to Russia's experience of participating in comparisons since 1993 (in the OECD/Eurostat comparisons), the CIS countries were successful in the 2005 Round. Even more, as that Round was initially scheduled for 2004, the CIS countries collected all necessary data in 2004. Then, when the round was moved to 2005, it made us do double the work, but we managed to be successful.

The most important difference in the present Round would be the way of linking the CIS regional results to the global ones. Within the previous 2005 Round, the CIS regional results were linked first to the OECD/Eurostat results via Russia as a bridge country; then our regional results were linked to the global results together with the OECD/Eurostat results. Within the present 2011 Round, we would try to link our regional results to the global ones directly, like all other regions. It would be an interesting experiment for us.

The ICP results are becoming more and more in demand in the CIS countries, and we are dedicating more time for advocacy activities.

I would also like to say that the ICP is very important in a specific statistical sense. The ICP is a unique international project bringing national statisticians into a comprehensively joint program: starting from building common item lists, going through collecting and exchanging data on an internationally harmonized schedule, to the joint calculations and common adoption of results. That is why all of us participating in this project do this job with great interest.

Q4. Based on your extensive experience, what advice and recommendations do you have for other regional coordinators facing similar challenges and responsibilities?

I am not convinced that I would be in a position to give any advice or recommendation to my colleagues in other regions. The Global Office offers us an excellent opportunity to talk together by organizing regular meetings

of the ICP regional coordinators. Thanks to these very fruitful discussions, we know in detail how the work is being carried out in different regions. The challenges and responsibilities are quite similar, and our colleagues in other regions make strong and successful efforts to build a stable ICP program in their regions.

The only one thing that I would like to relay to my colleagues is my best wish for our common success in the 2011 ICP Round. ■

International Comparison Program (ICP)

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Upcoming Milestones and Activities

2012	
October	<ul style="list-style-type: none"> Preparation of the Progress Report to the Executive Board, including Technical Advisory Group recommendations
November	<ul style="list-style-type: none"> 7th Executive Board meeting Preparation of the Report to the 44th session of the United Nations Statistical Commission
December	<ul style="list-style-type: none"> Submission of data updates for Household Consumption, preliminary regional Household Consumption PPPs, National Accounts data updates, and available Special Surveys data
2013	
February	<ul style="list-style-type: none"> 8th Executive Board meeting
March	<ul style="list-style-type: none"> Submission of semi-final price data for all regions (Household Consumption and Special Surveys) Submission of preliminary 2011/ revised 2005 National Accounts data
May	<ul style="list-style-type: none"> 8th Regional Coordinators and Technical Advisory Group meetings
June	<ul style="list-style-type: none"> Submission of final data for all regions (Household Consumption, Special Surveys and National Accounts) Preparation of the Interim Report to the Executive Board
September	<ul style="list-style-type: none"> 9th Regional Coordinators and Technical Advisory Group meetings
October	<ul style="list-style-type: none"> Submission of final 2011 price data and metadata Submission of final 2011 National Accounts data and metadata Submission of final Regional PPPs
November	<ul style="list-style-type: none"> 9th Executive Board meeting Preparation of the Report to the 45th session of the United Nations Statistical Commission
December	<ul style="list-style-type: none"> Release of 2011 Global PPPs and results