Linking Construction and Civil Engineering in ICP 2017

ICP Global Office

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International Comparison Program

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Background

Construction basic headings (BHs): Residential buildings; Non-residential buildings; and Civil engineering [3]

ICP regions follow an input cost approach:

- Prices for materials, labor and equipment hire sub-headings [55 items]
- Resource mix weights for the sub-headings [3 x 3]
- National accounts expenditures for BHs [3]

Eurostat-OECD follow a "bills of quantity" approach

- Data per the ICP approach is provided for a selection of countries for linking purposes

ICP 2011 Linking Approach [1]

Eurostat-OECD countries for linking [10]: AUS; CAN; DEN; FIN; HUN; NLD; PRT; RUS; GBR; USA

STEP 1: Relevant machinery and equipment survey item prices were used as reference for the equipment hire sub-heading, due to concerns with construction survey data quality and comparability

STEP 2: Regional item prices in local currency were used to calculate sub-heading PPPs using the CPD method for all regions and countries participating in the global linking → 3 sets of sub-heading PPPs under the 3 BH [3x3]

ICP 2011 Linking Approach [2]

STEP 3: The 9 sets of sub-heading PPPs were subsequently aggreged using the GEKS method → 3 sets of BH PPPs

STEP 4: Linking factors for the 3 BHs were calculated as geometric means of the aggregated BH PPPs for the countries in a region

STEP 5: The regional BH PPPs were linked utilizing the linking factors from Step 4

→ Linked construction BH PPPs entered into the global aggregation as any other "standard" BH

ICP 2017 Linking Approach (1)

The ICP 2011 linking approach is being followed in ICP 2017, with two exceptions:

- Eurostat-OECD countries for linking are [11]: BEL; BGR; DEU; FIN; NLD; NOR; PRT; SVN; RUS; GBR; USA
- Due to improvements in item definitions and data quality, data for equipment hire sub-heading are used for linking, without resorting to referencing from the machinery and equipment survey

ICP 2017 Linking Approach (2)

The suggested linking approach for the ICP 2017 does not differ from the ICP 2011 approach; however the utilized input data differs in terms of:

- Selection of the Eurostat-OECD countries for linking
- Use of all input data from the construction survey without resorting to referencing from the machinery and equipment survey

THANK YOU