

Monthly Update

31 December 2011 Issue 12

Happy New Year to the ICP Family!

Data Submission

The total number of countries and economies participating in the program is 197: 50 in Africa under the coordination of the African Development Bank (AfDB); 23 in Asia-Pacific, under the purview of the Asian Development Bank (ADB); 10 being coordinated by the Commonwealth of Independent States; 39 belonging to Latin America (18) and the Caribbean (21), both being managed by the United Nations Economic Commission for Latin America and Caribbean (UN-ECLAC); 12 Western Asian countries coordinated by the United Nations Economic and Social Commission for Western Asia (UN-ESCWA); 18 Pacific Islands benefitting from the support of the Australian Bureau of Statistics (ABS); 2 singleton countries; and the 47 OECD-Eurostat countries. Four countries participate in 2 regional programs: Russia (OECD and CIS); Egypt, Sudan (Africa and West Asia); and Fiji (Asia-Pacific and Pacific Islands). In the Caribbean and Pacific Islands, the price surveys will take place in 2012.

As many as 155 countries and economies from the ICP regions and the OECD-Eurostat program conducted the largest part of the main survey on household consumption in 2011. As the year has concluded, it's worth taking stock of the tremendous efforts developed in the countries and economies under the unremitting supervision of the ICP Regional Coordinators.

About 90 countries and economies from the ICP regions reportedly submitted their prices for the first and second quarters of 2011 to their respective Regional Coordinators, who were expected to relay them to the Global

Office by the December 31st, 2011. This includes 44 in Africa, 23 in Asia-Pacific, 17 in Latin America, 5 or 6 in Western Asia, and 1 singleton country (Georgia). In terms of intra-country survey coverage, half of the countries indicated that they conducted nation-wide surveys in the 1st quarter, while the remainder so did in urban areas or capital cities only.

As planned, UN-ECLAC submitted their 1st quarter data for participating Latin American countries to the Global Office. The Global Office expected to receive regionally validated 1st quarter and 2nd quarter data from the remaining ICP regions by December 31, 2011. Three major sets of ICP data and metadata are required.

The first set relates to price surveys. It includes validated national quarterly average prices – overall average, average by location types as well as averages by outlet types. It also covers validated sub-national quarterly average prices. These average prices should be provided together with validation tables showing the major validation indicators: number of price quotations, minimum prices, maximum prices, minimum/maximum price ratios, variation coefficients, outlier indicators and preliminary PPPs for the relevant basic heading PPPs according to the ICP classification. Individual price observations for the Global Core items, for countries that do not object to releasing this data to the World Bank are also requested. Associated with this are metadata on the availability and importance of products surveyed in each country. They will be used as product weights in the process of calculating basic heading PPPs.

The second one relates to National Accounts

activities in ICP. It includes the basic heading expenditure values for whichever year is deemed the latest one for which detailed GDP estimates are available in the country. This can be any year between 2006 and 2010. It must be reported using the MORES template. Two National Accounts questionnaires are also required, which will be used to ascertain the quality of data reported in the MORES.

The first one is the GDP Exhaustiveness questionnaire, which can be completed in either full version or very simplified version, the second one being the National Accounts Quality Assurance Questionnaire .

In addition to the above, a third set of general data and metadata is required: quarterly average exchange rates of local currencies as well as the most recent mid-year population figure available.

Table 1 below shows which regions hitherto have complied with the abovementioned submission requirement. The Global Office has reviewed the information submitted so far in terms of completeness and relevancy. This is now followed by a more in-depth scrutiny of the data and will collaborate with the regions to ensure that data quality is improved.

This table does not show the OECD-Eurostat program as their follow a different data submission schedule. The same schedule applies for CIS region concerning price data.

Following a South Asia countries sub-regional workshop held from 12-15 December 2011, the Asian Development Bank programmed a regional workshop from 16-19 January 2012 aimed to further validate the countries' price data for the 1st and 2nd quarters of 2011 which they will thereafter send to the Global Office.

Once all required data sets have been received and reviewed by the Global Office, they will be provided to the Validation Expert Group with a view to assessing the quality of data and highlighting any issues to be discussed at the next meeting of ICP Regional Coordinators in April 2012 and further reviewed by the regions/countries.

Table 1: Status of Data submission

#	Item	AF	AS	CIS	LAC	W. A.
A. Prices						
1	Quarterly average prices	✓			✓	✓
2	Sub-national quarterly average prices					
3	Individual observations for GCL items					
4	Validation tables	✓			✓	✓
5	Preliminary PPPs					
6	Availability and Importance	✓			✓	✓
B. National Accounts						
7	Detailed Expenditure Values	✓		✓	✓	✓
8	GDP Exhaustiveness	✓		✓	✓	✓
9	Quality Assurance Questionnaire	✓		✓	✓	✓
C. General Metadata						
10	Quarterly Exchange Rates	✓			✓	✓
11	Population	✓			✓	✓

AF= Africa; AS= Asia; LAC= Latin America & Caribbean; W.A= West Asia

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ICP in Pacific Islands

The ICP Pacific Workshop was held in Suva, Fiji, from the 7th to the 11th of November. Its aim was to familiarize the Pacific NSO's with the requirements for limited participation in the International Comparison Program. Essentially, limited Pacific participation calls for the pricing of a common basket of products, to enable the calculation of regional PPPs.

In this round of the ICP, the Pacific NSO's will only collect the prices for a limited number of Household Consumption Items (HHC) with fuller participation expected in future rounds. The workshop was held as a joint initiative with the Secretariat of the Pacific Community (SPC) that convened a Price Improvement Workshop during the week prior to the ICP workshop. The two workshops dovetailed nicely starting with the workshop on Price Improvement Methodologies. The second workshop focused on the methodology of the ICP, the importance of the ICP classification and some practical issues associated with price collection for both the CPI and ICP. A highlight of the workshop was a field trip in Suva, in which delegates were asked to price some 20 products across various outlets in Suva to identify some potential problems that they could encounter during their own price collections for the ICP.

During the ICP workshop, all countries agreed to a common list of products to be priced in 2012. Prices will be collected across all four quarters to ensure that the PPP comparisons are based on accurate national average prices. Subsequently, sampling plans have been received from many of the Pacific Countries detailing the outlets at which particular products will be priced. Another benefit that has resulted from the workshop is the potential expansion of CPI sampling plans to cover regions that have not been previously covered in CPI price collections. It is hoped that the discipline necessary for the collection of prices for International Comparison purposes is the first in a step that will lead to a greater sophistication of price statistics across the Pacific. The first price collection is due to take place in February 2012. After this, the Pacific Countries will conduct primary validation on the prices collected, with the results being discussed further at the subsequent validation workshop to be held shortly after.

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The ABS as the Regional Coordinator for Pacific Islands have been deeply involved in preparation including the development of product list as well as creation of ICP Pacific logos in English and French.

ICP Operational Guide - Additional Guidance

On December 6, 2011, the Global Office circulated the “*Additional Guidance on Dwelling Services*” to the Regional Coordinators as a response to recent queries on dwelling types, age, and weights for rental stock. The document provides pictures illustrating all types of dwelling to assist price collectors in the countries.

The Global Office also released “*Additional Guidance for the Compensation of Government Employee Survey*” on December 14, 2011. The document addresses issues specifically queried by some Regional Coordinators, regarding national annual averages (weighted average / nationals and residents pay scales), and position and rank.



The ICP Pacific Workshop, Suva, Fiji (November 7-11, 2011)

Africa Newsletter

The African Development Bank published its 3rd ICP newsletter in November 2011. This issue covers the implementation of the ICP in the region up to the end of the third quarter, the 3rd ICP-Africa Regional Workshop and additional news from sub-regions. Some highlights of the newsletter are directly excerpted below other than the implementation status as this has been covered at the global level on the front page. (<http://www.afdb.org/en/knowledge/publications/>)

The 3rd ICP-Africa Regional Workshop

The most important recommendation made during the National Accounts group session was the formation of a working group on national accounts aspects related to the ICP-Africa program. It was named the Africa Expert Resource ICP National Accounts group (AFRINA). It is composed of AFRISTAT, ECA, AfDB, Statistical Training Centers (ENSEA Abidjan, EASTC Dar es Salaam, ISAE, Makerere University, INSEA Rabat and some 2011 ICP participating countries (Algeria, Morocco, Madagascar, South Africa, Zimbabwe and Mauritius). Its overall objective is to support the regional office in ensuring that GDP expenditures compiled by the countries participating in the 2011 round of ICP are sound in terms of the adherence to the SNA-93 and have complete coverage of the goods and services within the SNA's production boundary to ensure they are as comparable as possible across the countries. AFRINA will also be responsible for undertaking further research on treatment of certain NA activities especially the comparison resistant areas.

IARIW Conference

A paper prepared by Oliver Chinganya, Abdoulaye Adam and Marc Kouakou entitled Comparative analysis of costs of some selected infrastructure components across Africa from the 2005 results of the International Comparison Program for Africa (ICI-Africa) was presented at the Conference on Measuring National Income, Wealth, Poverty and Inequality in African Countries, co-organized by the IARIW and Statistics South Africa and held in Cape Town, South Africa September 28-October 1.

The paper analyzes the distribution of price levels of these economic drivers, since these contribute to the cost of doing business in Africa. For this purpose, price level indices (PLIs) have been computed to provide a comparison of the cost of selected infrastructure

ICP Seminar at the US Department of Agriculture

The Market and Trade Economics Division in the Economic Research Service (ERS) of the U.S. Department of Agriculture organized a seminar on ICP on Thursday, December 8, 2011, under the title: "The International Comparison Program: Measuring the Real Size of the World Economy". As ICP data have been particularly useful to their global food demand research at the Economic Research Service, the seminar objective was to provide them with an overview of the 2011 ICP round, in terms of country coverage, time and investment required, price and expenditure data categories and other data covered, statistical procedures and analysis, survey instruments, PPP computation at regional level and global linking.

The seminar ran from 2:00-3:30 PM. It included a 45 minute presentation made by the ICP Global Manager and questions which he and Fred Vogel, Yuri Dikhanov and Nada

Hamadeh answered.

Attending ERS experts who are not familiar with the ICP found it interesting that such an extensive effort is undertaken by the World Bank, in partnership with the African Development Bank, the Asian Development Bank, the UN Economic Commission for Latin America and Caribbean, the UN Economic and Social Commission for Western Asia, the statistics office of the Commonwealth of Independent States, OECD, Eurostat, the Australian Bureau of Statistics, and all 197 participating countries and economies.

In the seminar, emphasis was laid on the price survey framework and the Household Consumption Expenditure data needs and consistency with surveyed prices. This was particularly appealing to USDA experts from the Food Economics Division, as well as in their Markets and Trade Economics Division.



The US Department of Agriculture, Washington DC (December 8, 2011)

components across African countries.

The data used were collected from the 2005 round of the International Comparison Program (ICP) in Africa, covering 48 out of a total of 52 countries and 22 major aggregates of the national accounts. The paper is posted on the IARIW website at <http://www.iariw.org/c2011.php>.

In alignment with the schedule of activities at regional and global levels, the ICP Updates will be from this year onwards released on a quarterly basis. The first ICP Quarterly Update is planned to be issued at the end of March 2012.

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