INTRODUCTORY REMARKS

2ND Meeting of the PPP Computation and Compilation Task Force

March 13, 2018
Washington, DC

International Comparison Program

Outline

- Background
- Task Force Task List
- Meeting Agenda

Background

TECHNICAL ADVISORY GROUP (TAG)

- Put forth a technical research agenda to inform future ICP comparisons (TAG Nov. 2016; Governing Board Sep. 2017)
- Established Task Forces on specific topics to develop concrete proposals on the various research agenda items and support the computation of ICP results

TF01: TASK FORCE ON PPP COMPILATION AND COMPUTATION

1. Linking interim regional updates into a global comparison
2. Building PPP time series for the interim period
3. Fine-tuning global linking procedures
4. Productivity adjustment for government and construction

1st TASK FORCE MEETING, October 2017

- Review of TF TOR & development of TF Task List

Task Force Task List (1)

1. Building PPP Time Series for the Interim Period			
	Task	Responsible	Sub-Coordinator
a.	Updating, validating and enhancing the global extrapolation database	IACG	Marko
b.	Updating the paper “A move towards the compilation of PPPs and real expenditures on an annual basis" based on the most recent extrapolation data	Prasada, Robert I	Robert I
c.	Determining optimal level for extrapolation and publication of interim results, considering the availability and quality of data required for extrapolation and minimizing the impact of changes in terms of trade	Sergey, Yuri	Yuri
d.	Determining the most feasible approach for producing “smoothened” PPP time-series for the years between the 2011 and 2017 reference year comparisons; an extension to years before 2011 can be considered at a later stage	Prasada, Robert I, Sergey, Yuri	Prasada
e.	Developing an approach to produce benchmark and PPP time-series for non-participating countries	Prasada, Robert I, Sergey, Yuri	Sergey
f.	Determining the need the need to recalculate the global ICP 2011 results, if regional ICP 2011 results are significantly revised	TF to decide later	Erwin

Task Force Task List (2)

2. Linking Interim Regional Updates into a Global Comparison			
	Task	Responsible	Sub-Coordinator
a.	Validating available interim global data to ensure quality and comparability of the data	IACG	Marko
b.	Determining the most feasible approach for linking interim regional updates in to a global comparison, considering available data and results	Erwin, Sergey, Yuri	Erwin

Task Force Task List (3)

3. Fine Tuning Global Linking Procedures

	Task	Responsible	Sub-Coordinator
a.	Examining possible options for fine-tuning the linking of hard-to-measure headings: Housing	Housing TF	Paul
b.	Compiling and validating government compensation and expenditures for 2015, 2016 and 2017 for health, education and collective services for all Eurostat-OECD countries	Eurostat, OECD	Francette
c.	Examining possible options for fine-tuning the linking of hard-to-measure headings: Health	Paul, Francette	Paul
d.	Examining possible options for fine-tuning the linking of hard-to-measure headings: Education	Francette	Francette
e.	Examining possible options for fine-tuning the linking of hard-to-measure headings: Collective Services	Paul, Francette	Paul
f.	Compiling and validating construction data for 2017 as per the ICP approach for a selection of Eurostat-OECD countries	Eurostat, OECD	Francette
g.	Examining possible options for fine-tuning linking of hard-to-measure headings: Construction	Paul, Francette, Marko	Paul
h.	Assessing the impact of changing linking approach: The CIS case	CIS-STAT, Sergey, Vasily	Sergey
i.	Assessing the impact of countries moving from one region to another: The LAC case	ECLAC, OECD	Francette
j.	Examining possible options for producing global results for dual-participating countries: The Africa-Western Asia case	Sergey, Yuri, AFDB, ESCWA	Yuri
k.	Researching alternative linking approaches, such as estimating linking factors based on global core price data only, exclusion of weak links, and multi-stage linking approaches	Erwin, Robert H	Robert H

Task Force Task List (4)

4. Productivity Adjustment for Government and Construction Sectors			
	Task	Responsible	Sub-Coordinator
a.	Documenting the 2011 approach for applying productivity adjustment for government sector	Yuri	Yuri
b.	Updating the productivity adjustment factors for the 2017 comparison and developing an estimation approach for the interim years	Robert I, Yuri	Robert I.
c.	Assessing the feasibility and impact of applying productivity adjustments for construction sector	Robert I, Marko	Robert I.

2nd TF01 Meeting: Agenda (1)

09:15 – 10:00 AVAILABILITY OF INTERIM DATA AND EXTRAPOLATION INDICES

10:00 – 12:00 LINKING INTERIM REGIONAL UPDATES

- Updates on Asia's interim regional update and treatment of non-participating countries, *ADB*
- Updates on Western Asia's interim regional updates and treatment of non-participating countries, *UN-ESCWA*
- Updates on Africa's 2015/2016 data, *AfDB*
- Linking specific headings for Eurostat-OECD countries for interim years, *Eurostat and OECD*

12:00 – 12:30 PRODUCTIVITY ADJUSTMENT FOR GOVERNMENT

- Options for updating and applying productivity adjustment factors for interim years and 2017 cycle, *Robert Inklaar*

2nd TF01 Meeting: Agenda (2)

14:00 – 15:30 BUILDING PPP TIME SERIES FOR THE INTERIM PERIOD

- Update of paper "A move towards the compilation of PPPs and real expenditures on an annual basis", *Prasada Rao, Robert Inklaar*
- Options for determining optimal extrapolation level and indices, *Yuri Dikhanov and Sergey Sergeev*
- Options for producing "smoothened" PPP time-series for the years between reference year comparisons, *Prasada Rao, Robert Inklaar*

15:30 – 16:00 ALTERNATIVE OPTIONS FOR LINKING REGIONS AT BASIC HEADING LEVEL

- *Robert Hill*

16:00 – 16:30 CONCLUSIONS AND RECOMMENDATIONS

THANK YOU