



Release of the ICP 2011 Results

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As of June 20, 2014, the full set of ICP 2011 results can be accessed via <http://icp.worldbank.org/> by downloading the data in Excel. This data is available for 199 participating economies from ICP 2011 regions or economic groupings: Africa, Asia and the Pacific, the Commonwealth of Independent States, Latin America, Eurostat-OECD, Western Asia, the Caribbean, the Pacific Islands, Georgia, and Iran. Also included are estimates for non-participating economies. The data covers 26 expenditures categories for goods and services, and several indicators including purchasing power parities (PPPs), expenditure shares of domestic product (GDP), total and per capita expenditures in USD both in exchange rate terms and PPP terms, and price level indices.

The Summary of Results and Findings of the ICP 2011 was published on April 30, 2014. The report presents summary results of the ICP 2011 for the GDP and its main aggregates only for 199 participating economies. It provides some documentation on the ICP

2011 governance, methodologies, and processes. The report can be accessed via <http://icp.worldbank.org/>. Additionally, the summary ICP 2011 results can be accessed through web resources for retrieving and reporting related data: the ICP Data Portal, the ICP DataFinder app (Android), and ICP Data Visualization. Using these web resources, users can customize online the ICP 2011 summary data by preparing reports, charts and maps.

The announcement of the summary results was undertaken in alignment with the ICP 2011 communication strategy approved by the ICP Executive Board, which the Global Office implemented in concerted effort with the World Bank communications team. Publicity efforts included a multilingual press release, media call, social media coverage, and various media interviews.

The Final Report of the ICP 2011 will be released in September 2014, and will include the full set of results and in-depth analysis of volume and per capita measures with detailed information on methodology.

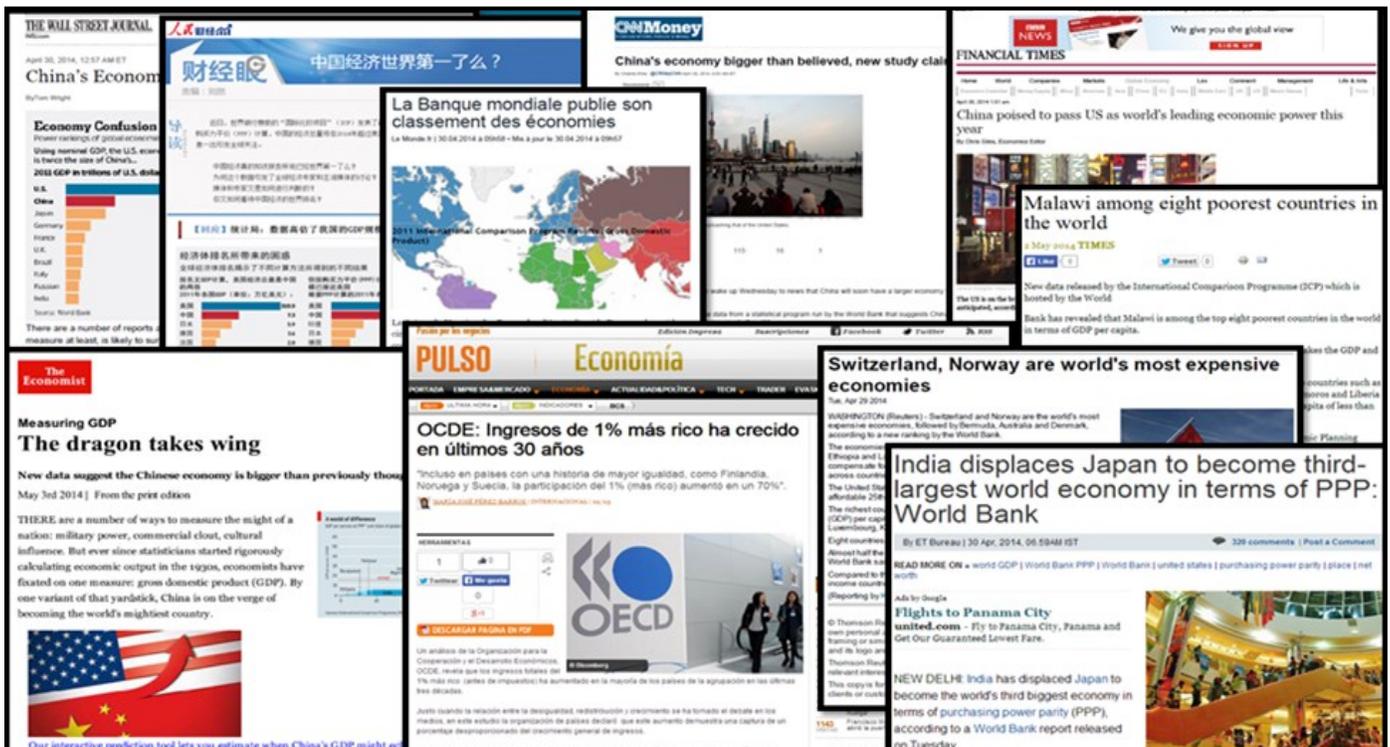
Regional Results Publications

Regional results have been released for all regions and are available via the ICP website, <http://icp.worldbank.org/>. Final participation included 50 economies in Africa; 23 in the Asia and Pacific region; 9 in the Commonwealth of Independent States; 39 in Latin America and the Caribbean; 12 in Western Asia; 23 in the Pacific Islands; 2 singleton countries (Iran and Georgia); and 47 in the Eurostat-OECD PPP Program.

Data Access

Beyond what is publicly available, researchers may request access to unpublished detailed data and metadata from the 2011 round of the ICP by submitting an application to the World Bank Development Data Group, in accordance with the 2011 ICP Data Access and Archiving Policy.

http://siteresources.worldbank.org/ICPINT/Resources/270056-1255977254560/121120_ICPDataAccessPrinciples&Procedures.pdf



Select headlines of ICP 2011 Summary Results in the news (Spring 2014)

In Memory of Derek Blades



Derek Blades passed away on June 25, 2014. This was sad and shocking news to all of the ICP community. Derek's technical expertise had a tremendous impact on the 2005 and 2011 ICPs. He authored many of the chapters in the 2005 ICP Handbook and four major chapters in the "Measuring the Real Size of the World Economy" known as the ICP book. Under the ICP 2011, he played a key role on the ICP Technical Advisory Group, where he took up the challenge of addressing critical methodological issues and proposing solutions that were central to the successful implementation of the round. He was also a renowned National Accounts expert, and helped various regions in the National Accounts work for the ICP. Derek co-coordinated, together with his colleague and long-time friend David Roberts, the bilateral comparison for Georgia and Armenia.

A few sentiments about Derek are quoted below from the ICP community:

"For the researchers in National Accounts and GDP comparison, as well as for the ICP world, it is a great loss." Luigi Biggeri

"This is very sad for us and is very shocking. He has been a pillar of the ICP and key advisor on the process of the ICP in Africa. It is sad that he had to go now." Oliver Chinganya

"Derek was a constant pillar of the ICP and his great personality brought so many smiles to all of us. He is a great loss to the ICP." Nada Hamadeh

"Derek had an exclusive professionalism and a fantastic imagination both lying on an indomitable zest for life. He was a universe as a professional and as a man. I join those who will keep the admiring memory of him." Andrey Kosarev

"My memories of his unremitting work and his comments are the advice, for which, I am grateful to him and I bid him a peaceful journey into the mysteries of the soul." Michel Mouyelo-Katoula

"Derek was a great economic statistician with expertise in national accounts, price indexes and economic measurement in general. But above all, he was a wonderful human being and given a lot to all around him. His presence will be missed and a loss difficult to fill." Prasada Rao

"This comes in as very sad news; Derek was indeed a great mentor, a dedicated expert and a great friend. He has always enlightened us with his wise thoughts and comments." Majed Skaini

"Someone as special as Derek will never be forgotten. He will remain in our memories forever." Chellam Palanyandy

"The shocking news about Derek is a huge loss to the international statistical community. He played a key role in the ICP by his uncanny ability to ask the questions that cut through the fog to get exactly to the point. The ICP world is better because of him; he will be greatly missed." Fred Vogel

Seminars

2011 PPPs: The nuts and bolts

The World Bank Poverty and Inequality Measurement and Analysis Practice Group organized a seminar entitled "2011 PPPs: The nuts and bolts" on May 15, 2014. The seminar discussed the methodology and processes underlying the calculation of the 2011 PPPs. The recorded presentation and discussions are posted on the Practice Group website: <http://spapps.worldbank.org/apps/Poverty/PI-MAPG/default.aspx>



2011 PPPs: The nuts and bolts, Washington, DC (May 15, 2014)

Seminars (continued)

Technical Briefing on the ICP 2011 for the World Bank Executive Directors

The World Bank Group Executive Directors organized a Technical Briefing of the ICP 2011 round on May 19, 2014. The briefing covered an overview of the ICP, PPPs and their uses, overview of ICP 2011 results, calculation of the results, ICP 2011 improvements and limitations, and the next steps for the program.

The Measurement of PPPs and the Measurement of Poverty with Angus Deaton

Angus Deaton, the Dwight D. Eisenhower Professor of Economics and International Affairs at the Woodrow Wilson School of Public and International Affairs and the Economics Department at Princeton University, lectured at the World Bank in Washington DC on June 16, 2014. He discussed the difference in the ICP 2011 results from those that were anticipated from extrapolation of the ICP 2005 results. Deaton presented his findings and argued that perhaps the ICP 2005 PPPs were overstated and that 2005 linking approach could possibly have been a large cause. The details can be found in his paper, co-authored with Bettina Aten, "Trying to understand the PPPs in ICP 2011: why are the results so different?" which is online at: <http://www.princeton.edu/~deaton/papers.html>.

The discussion also concluded with some implications for measuring poverty.

PPPs and Global Poverty: Understanding the ICP Roller Coaster

Martin Ravallion, Edmond D. Villani Professor of Economics, Department of Economics, Georgetown University is lecturing at a World Bank seminar on July 9, 2014 about his upcoming paper, "An Exploration of the International Comparison Program's New Global Economic Landscape."

Parting Words from Michel Mouyelo-Katoula, ICP 2011 Global Manager



Joining the ICP

A young man joined the ICP family in early 1983 when 15 African countries had just completed their price surveys under the framework of the ICP-Africa program for the reference year 1980 that was then financed and coordinated by Eurostat, the Statistics Office of the European Communities, in Luxembourg. He took up the challenge of finalizing the processing of the results, preparing the first report on comparative price levels and real incomes of African countries, and securing the chances to be tasked by Eurostat to coordinate the 1985 round which enlisted an additional 8 countries from Africa. He was blessed to be mentored by late Hugo Krijnse Locker, Head of the then Eurostat international comparisons division, and was privileged to learn from other prestigious and renowned ICP experts such as Alan Heston, Peter Hill, late Derek Blades, late Laszlo Drechsler, etc.

.. a capacity building platform...

Through his involvement in the ICP, he learned that statistical systems would be best improved through an approach based on policy relevance, cross-country synergies, sharing of best practices, methodological harmonization, “systemic” integration, simultaneous implementation of statistical surveys, as well as on statistics output oriented workshops (SOWs) to be organized at the regional level to effectively address data comparability issues. He reflected that ICP components implemented as a capacity building system should be extended beyond the immediate objective of generating PPP statistics. In this regard, ICP can help inform regional integration, support and monitor selected aspects of the Millennium Development Goals (MDGs)

or post-MDGs, Poverty Reduction Strategies (PRSs), and the Results-Based Management and Evaluation system for development effectiveness.

... a structured price data system

Several years later, he was involved in the 2005 ICP implementation as the Regional Coordinator at the African Development Bank. He witnessed the development of a sound methodological infrastructure for price surveys, validation and analysis, and played his part in disseminating it in Africa. The infrastructure includes the Structured Product Description (SPD) approach, implemented for the first time across all 146 countries that participated in that first global comparison. The SPD proved to be an effective way of selecting, identifying and comparing items across countries in the same region or between different regions. It was maintained in the 2011 ICP to ensure that all the countries in a region were referring to identical or at least comparable products belonging to their regional list of items. Similarly, the SPD was the cornerstone of the comparability of prices related to global core products collected by all the 199 countries that participated in the 2011 round.

A global perspective

Graduating from regional management of the ICP to the global arena, at the World Bank, the “global” man was happy to lead a program that leveraged on the legacy of the 2005 ICP. Building on a sound body of methodological assets, the 2011 ICP Global Office aspired to broaden the scope of the program, better address users’ needs, enhance the program’s economic relevance by building on the assets of the previous round and through innovations and continuous improvements in ICP methodologies, enhance ICP-related statistical capacity building activities, increase data quality and reliability, and make ICP a transparent process.

While the evaluation of the round has yet to be conducted by the UNSC Friends of the Chair under the co-chairmanship of the Austrian and Indian statistical offices, the newly retired man can dare venture to state that as far as price data sets are concerned, the ICP Global Office and Regional Coordinators have managed to streamline quality assessment processes at national, regional and global levels. This quality review procedure is designed and scrutinously applied through

iterative loops, using SPDs as the guiding matrix against which each surveyed product is checked for conformity with the prescribed characteristics. Quality review processes were also implemented for national accounts data related to detailed GDP expenditures. These processes were central to enhancing statistical capacity building activities related to the generation of ICP basic data with a specific focus on price statistics and the implementation of the 1993 System of National Accounts.

A new paradigm?

Looking forward, the retired man believes, with utmost humility that high among the questions yet to be answered is whether we have contributed to improving the economic relevance of PPP statistics. The entire 2011 ICP network has significantly contributed to it by generating the best quality data possible. In the context of using PPPs for poverty analysis, there might be a need for more local data work, i.e. for greater emphasis on each economy’s individual circumstances. The data sets gathered in the context of the 2011 round can be used as a starting point to launch a conversation as to how these individual circumstances can be best defined, described and compared using ICP measurement tools. The conversation will also include a review of each country’s time series of economic indicators (GDP at constant prices, CPIs, PPIs, etc.) from an international comparison perspective, with a view to enhancing synergies between the relevant statistical systems and the ICP. What is suggested here is to adopt a new paradigm aimed at truly demonstrating that the ICP, as a global public good, is primarily a national public good in that it reveals the relative position of each country in the global economic landscape, whether poverty-stricken or not. The 2005 round confirmed the ICP’s importance in highlighting the seriousness of the world’s poverty challenge. In the absence of PPPs, indicators of world poverty based on official exchange rate conversions can be easily challenged and dismissed. However, PPPs estimated at too distant time intervals, do not easily lend themselves to temporal analysis, which poses a serious challenge to poverty experts who need to measure poverty differences across space and time.

The newly published PPPs have created excitement in the ICP realm. In particular, reluctance from some poverty experts stems from the inconsistency between their 2005 global poverty lines and the 2011 estimates that are

Parting Words from Michel Mouyelo-Katoula (continued)

obtained with the new PPPs. The ICP recognizes the multifaceted conundrum of consistency between time and space in the global comparison of price levels and real GDP estimates. The entire ICP community is urged to concentrate on the new paradigm of further fine-tuning the PPP compilation procedures and ensuring that they translate into routine data collection and compilation in the countries that will support a more regular delivery of PPPs at the global level. The departing global manager personally encourages his former colleagues in the World Bank Development Data Group to pursue the avenue of lighter ICP exercises according to a more regular schedule, as they have been discussing over the last year or so, which seems to be supported by the renowned experts of the ICP Technical Advisory Group.

Expenditure objects

Meanwhile, the retiree's schedule will be even lighter than the future ICP schedule - he will spend more time practicing individual, corporeal and physical (ICP) exercises. With his anticipated spare time, he is already scratching his head over what he wishes to coin as an "expenditure object".

The idea is to design some kind of SPD approach for expenditure values, building on the Model Report on Expenditure Statistics. The approach would consist in identifying an expenditure object within each basic heading or at a higher aggregate level that will be described in terms of its reference population (the entire nation, the population of students, the total number of households), population unit (a household, a student, a person, etc.), reference products (products that are the most important in the selected group of expenditures), unit of measurement and average prices of the reference products, average expenditure value related to the reference population, etc. An expenditure object is a set of structurally defined data and metadata items that are the best descriptors of the related expenditure category. Expenditure objects can be validated in each country using a procedure developed consistently with intra-country validation of prices. They can be validated regionally by clusters of countries. He guesses that when expenditure objects are compared between countries, they will better help understand the impact of national accounts on PPP levels. They will also further justify the need for more local data work whereby prices collected will be directly reflected in the estima-

tion or extrapolation of expenditure values.

Wouldn't the mapping of products and expenditure objects, i.e. the consistency of prices and expenditure data and metadata facilitate the process of extrapolating and updating prices and expenditures on a more regular basis and in a smoother way? The relaxing man is inclined to suggest that this is worth testing using the existing sets of ICP data and metadata.

Quantum thoughts

As you can see, while meditating, jogging or enjoying frenzied Congo-River rumbas and soothing classical piano concerti, the retiree will let his mind wander as it sees fit and glean here and there whatever ideas may dawn upon it from the quantum field of solutions. And he will be happy to share them with our statistical community as part of his unreserved dedication to the development of global public goods.

ICP 2011 Evaluation

At its meeting in October 2013, the ICP Executive Board discussed possible modalities for the evaluation of the 2011 round of the ICP, and concluded that the Friends of the Chair group is the preferred modality for the evaluation. At its 45th Session, the United Nations Statistical Commission (UNSC) established the Friends of the Chair group to carry out the evaluation of the 2011 round, the findings of which will be reviewed at the 46th and 47th Session of the UNSC in 2015 and 2016. The group is co-chaired by the statistical offices of Austria and India. The 45th session also recognized the need for more frequent ICP activities in the future. Thus, the evaluation would encompass the scope and activities of the ICP 2011 and make a proposal on the future of the ICP, taking into consideration lessons learned from the ICP 2011 round.

The first meeting of the co-chairs of the Friends of the Chair evaluation of the 2011 round of the ICP was held on June 17, 2014 via virtual connection. The composition of the Friends of the Chair group, its terms of reference and timetable for the evaluation were discussed. The meeting was very constructive and it was decided that the outputs of the evaluation would include a preliminary report to the 46th session of the UNSC in November 2014 followed by the final report to the 47th session of the UNSC in November 2015.

Blogs on ICP 2011



ICP results received strong media coverage worldwide with headlining news articles, blogs, video clips, and major stories featuring the ICP results.

Several blogs that focus on the ICP 2011 summary results are highlighted below, while a complete listing may be found at <http://icp.worldbank.org/>.

"ICP 2011: 7 Million Prices, 199 Economies, 8 Regions, and 15 Partners" by Haishan Fu on April 30, 2014.

"Global Absolute Poverty Fell by Almost Half on Tuesday" by Sarah Dykstra, Charles Kenny and Justin Sandefur on May 2, 2014.

"What Do New Price Data Mean for the Goal of Ending Extreme Poverty?" by Laurence Chandy and Homi Kharas on May 5, 2014

"Playing with and Understanding Purchasing Power Parities" by Kaushik Basu on May 7, 2014.

"India's Puzzling New PPP" by Martin Ravallion on May 8, 2014.

International Comparison Program (ICP)

Development Economics Data Group (DECDG)

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