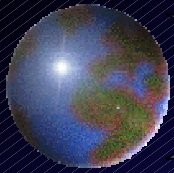


International Comparison Program (ICP)

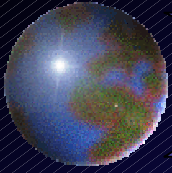
Overview of 2003 Round

Fred Vogel, Global Manager



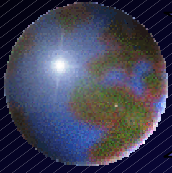
Basic Objectives of the ICP

- **Provide International Comparisons of GDP and Per Capita Expenditures**



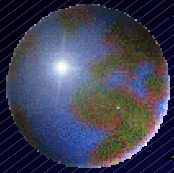
Why is this so Important?

- **Basic uses of official statistics**
 - **Make policy—who gets what**
 - **Guide investment decisions**
 - **Enhance competitive markets**
- **Globalization of world economies requiring multilateral comparisons**
- **Individual countries no longer can operate in a vacuum**



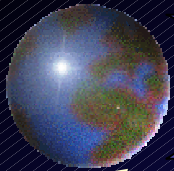
The Problem

- **Need to articulate uses of PPP's beyond as a research tool**
- **Need to establish credibility in results**
- **Need to provide timely, consistent, defensible results**



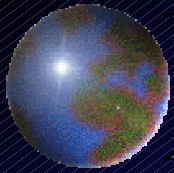
Framework proposals

- Link the ICP with national statistical activities (price collection, national accounts, household surveys);
- Build national statistical capacity and help with marginal costs;
- Provide competent coordination and governance at regional and global levels;
- Invest in research to address technical issues



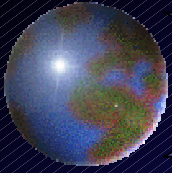
The Scope—Expenditures and Prices

- **Up to 220 Basic Headings**
 - Need expenditure weights
 - Descriptions of items and prices
- **Household Consumption— up to 140+**
 - 2-3,000 items make up pricing lists
 - Price 1,000 +/- items to obtain national, annual, average prices
 - Items must be comparable across countries, representative within



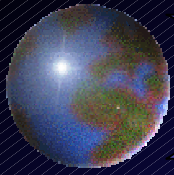
Overview of 2003 Round

- **Determine lowest level of GDP for which expenditure weights are available**
- **Determine items to price**
- **Collect Prices—2004—2005**
- **Data edit/analysis —2005**
- **Publish results—2006**
- **Evaluate process—2006**
- **Begin planning for next round--2007**

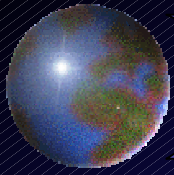


Problems-Previous Round

- ❖ **Who was in Charge?**
- ❖ **Not enough money**
- ❖ **Insufficient documentation**
- ❖ **Inflexible list of items to price**
- ❖ **Lack of standards and procedures**
- ❖ **Distrust-countries, regions, global levels**

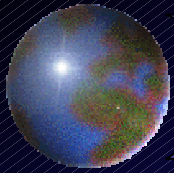


*What's New with this round of
the ICP?*



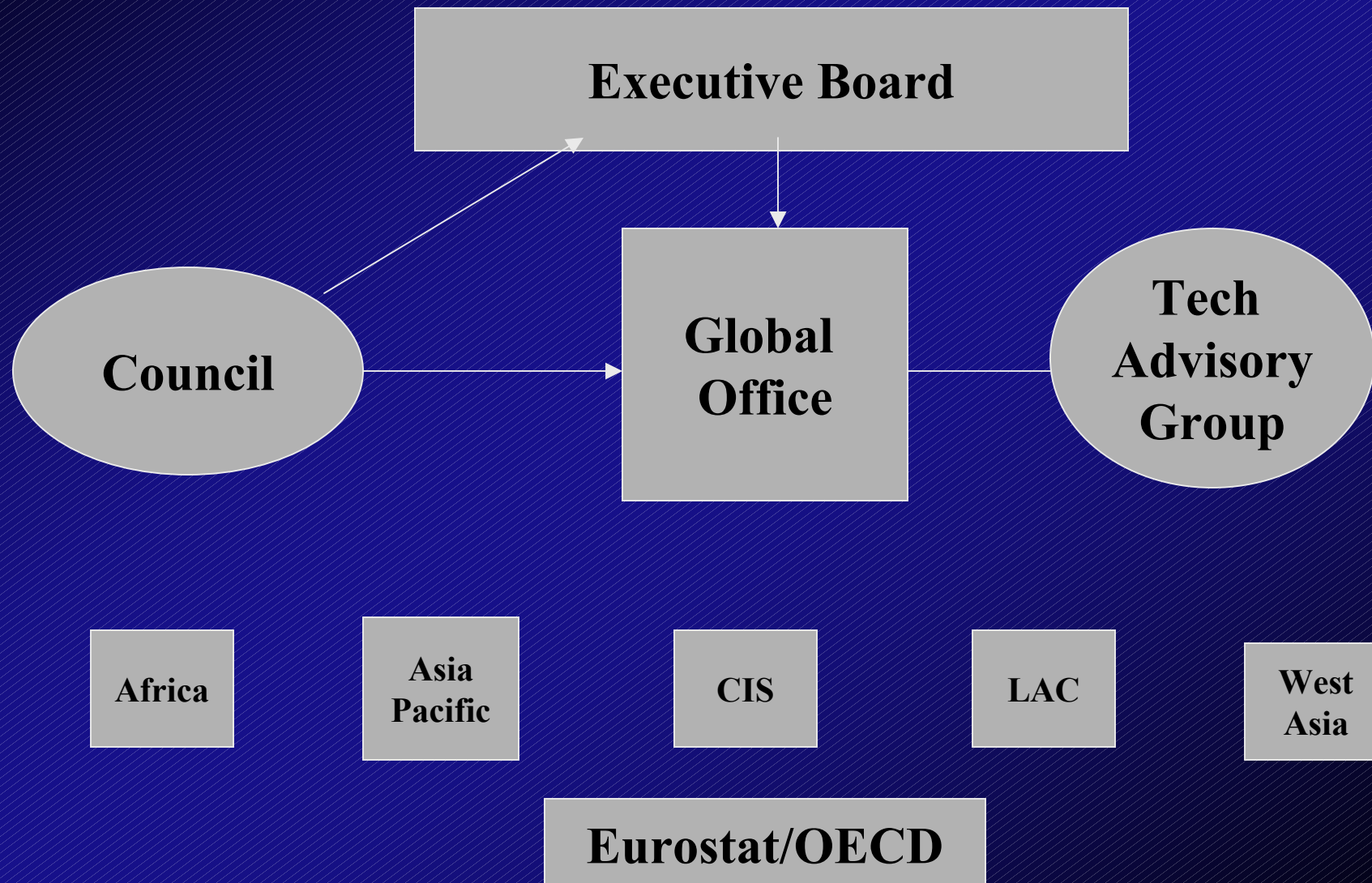
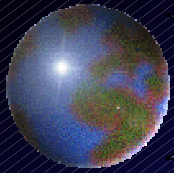
What's New with this Round of the ICP?

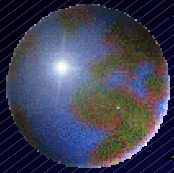
 **Governance**



ICP Executive Board

- Dennis Trewin, Chair
- Ifzal Ali
- Shaida Badiee
- Len Cook
- Yves Franchet
- Enrico Giovannini
- Carlos Jarque
- K.K. Jaswal
- Henok Kifle
- Ben Kiregyera
- Li Xiachao
- Koffi Ngussan
- Jose Ocampo
- Jacob Ryten
- Valdimir Sokolin
- Mervat Tallawy





Role of the Executive Board

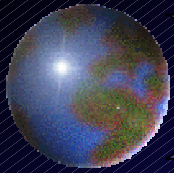
✚ **Final Authority on overall Policy decisions--examples**

▣ **Timetable**

▣ **Scope and Coverage**

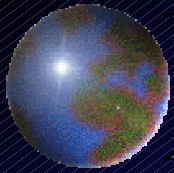
- **Full GDP vs Consumption**
- **Countries**

▣ **Funding**



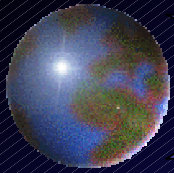
What's New with this Round of the ICP?

 **Research**



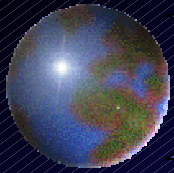
Examples of Research Topics

- **Full GDP vs Consumption**
- **Delay Gov't Services late 2004**
- **Linking methods—Ring Comparison**
- **Difficult to apply Statistical Theory on**
 - **Number of items to price in a basic heading**
 - **Selection of the items to be representative and comparable**
 - **Estimation of National Annual Averages**



Technical Advisory Group

- Edwin Dean, chair
- Silke Stapel, v. chair
- Erwin Diewert, v.ch
- David Roberts
- Paul McCarthy
- Kim Zieschang
- Serguei Sergeev
- Alan Heston
- Prasada Rao

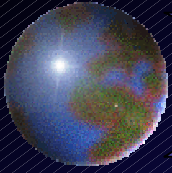


What's New?

Memorandum of Understanding

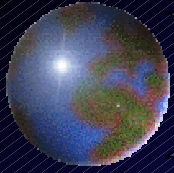
Policy regarding

- **Data Collection**
- **Data submission**
- **Data sharing and review**



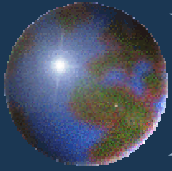
What's New?

- **Handbook**
- **Tool Pack**
- **Re-design web site, newsletter**

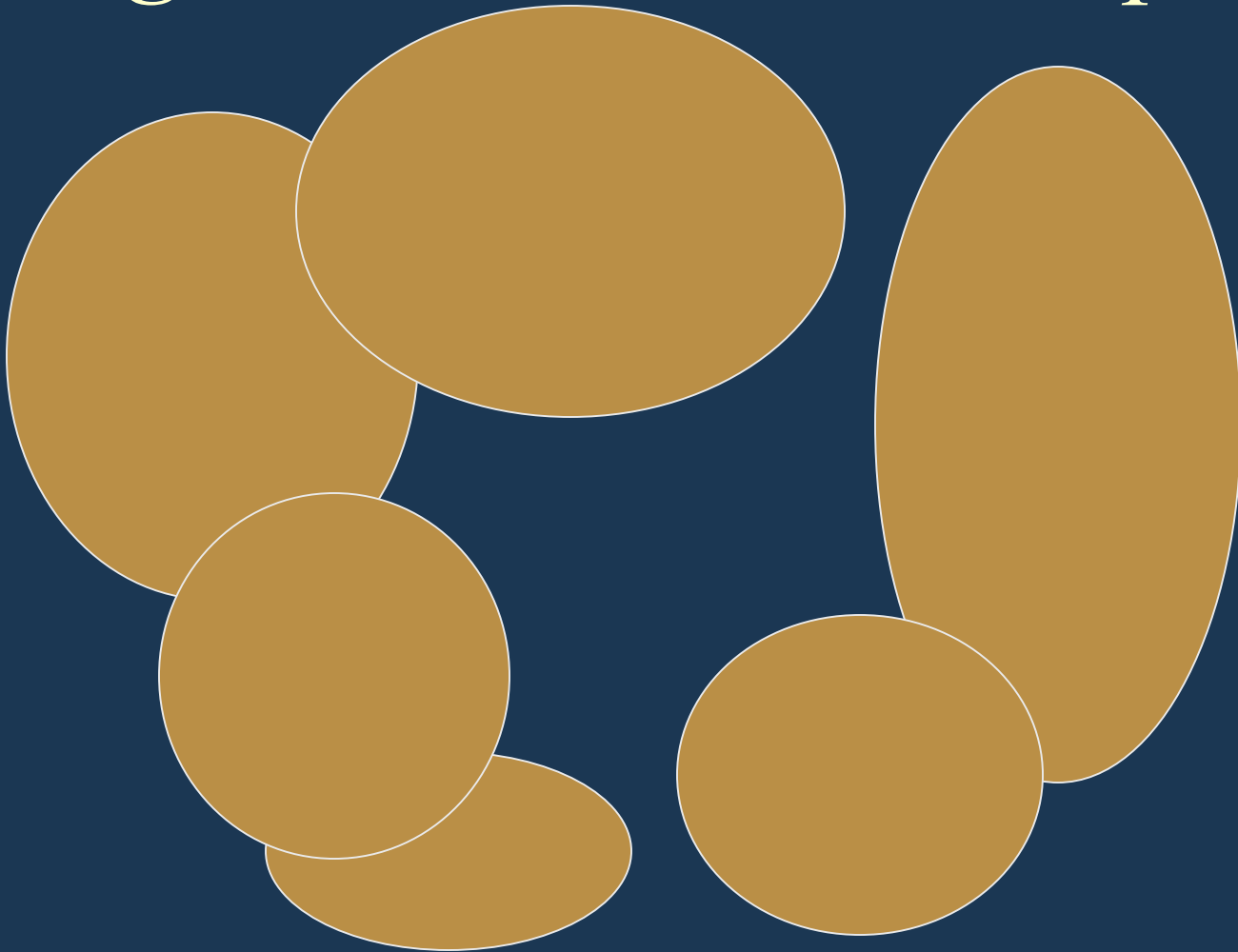


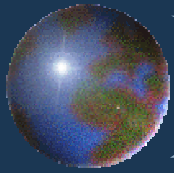
What's New?

 **Global Comparison—Ring Concept**

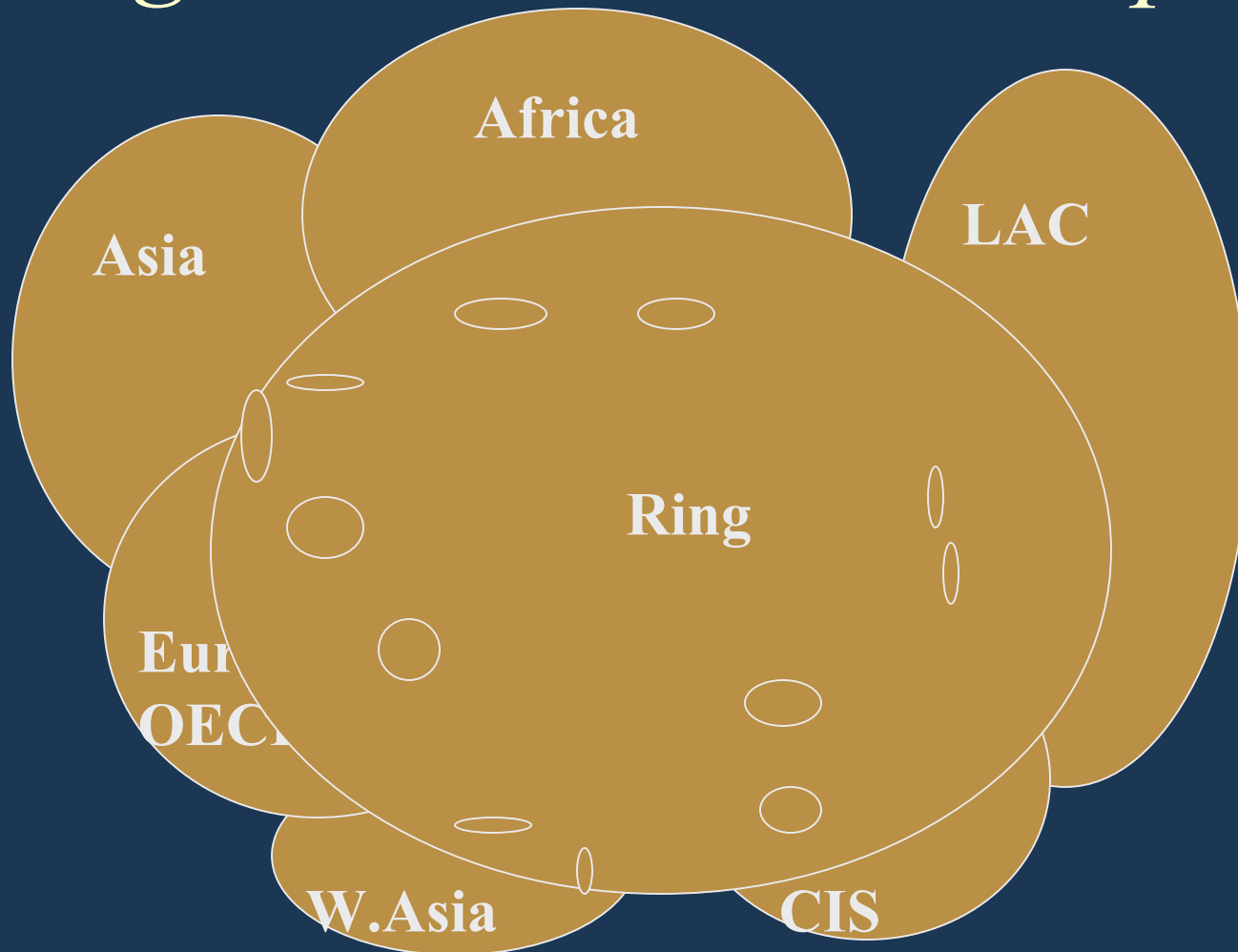


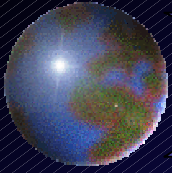
Regional Vs Global Comparisons





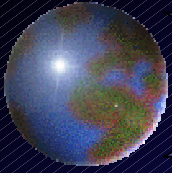
Regional Vs Global Comparisons





Ring Country Concept

- | | |
|-------------------------|---|
| ● Latin America | ● Chile, Mexico, Brazil |
| ● Asia | ● Indonesia, India, Korea |
| ● Western Africa | ● Egypt, Oman |
| ● Africa | ● S. Africa, Ethiopia, Cote-d'Ivoire |
| ● CIS | ● Russia, Kazakhstan |
| ● Europe | ● Austria, UK, Portugal, Slovenia |
| ● Non EU | ● Australia, USA, Canada |



What's New?

✚ Structured Product Description

▣ Goal

- International product coding system
- Flexible
- Consistency across regions

The Structured Product Definition - SPD

The form - part 1

International Comparison of Prices Program - Structured Product Description

ICP heading 11.01.11.1 Rice
ICP cluster 01 Rice

FA031-01A

Available in which type of establishments?

| |
|--|
| |
| |
| |
| |
| |

Most representative establishments?

| |
|--|
| |
| |

Quantity and packaging

| Package type | Number of units in package | Size of unit | Unit of Measure |
|----------------------|----------------------------|--------------|-------------------|
| Jar | | F99 | Weight/ Volume |
| Tin or can | | | Grams/Milliliters |
| C2 Bag | | | Kilograms/Liters |
| C1 Box | | | |
| Packet/envelope | | | |
| Basket | | | |
| C99 Other | | | |
| sold loose | | | |
| Designed for serving | | | |

The Structured Product Definition - SPD

The form - part 2

Product characteristics (standard)

| Type | | Variety | | Preparation | | Organic certification | | | | | |
|------|-----------------|--------------------------|----|-----------------|--------------------------|-----------------------|--------------------|--------------------------|-----|-----|--------------------------|
| A1 | Long grain | <input type="checkbox"/> | B1 | White | <input type="checkbox"/> | D1 | Pre-cooked/instant | <input type="checkbox"/> | E1 | yes | <input type="checkbox"/> |
| A2 | Medium grain | <input type="checkbox"/> | B2 | Brown | <input type="checkbox"/> | D2 | Uncooked | <input type="checkbox"/> | E2 | no | <input type="checkbox"/> |
| A3 | Short grain | <input type="checkbox"/> | B3 | Combination | <input type="checkbox"/> | | other (specify) | <input type="checkbox"/> | E99 | | |
| A4 | Not specified | <input type="checkbox"/> | B4 | Wild | <input type="checkbox"/> | | other (specify) | <input type="checkbox"/> | | | |
| A5 | Combination | <input type="checkbox"/> | B5 | Arborio/risotto | <input type="checkbox"/> | | | | | | |
| | other (specify) | <input type="checkbox"/> | | other (specify) | <input type="checkbox"/> | | | | | | |
| | other (specify) | <input type="checkbox"/> | | other (specify) | <input type="checkbox"/> | | | | | | |

Product characteristics (others of regional importance)

please specify other important product characteristics not listed under "standard", which are however regionally important. For rice it could be

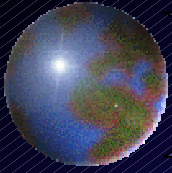
Share of broken rice

| | |
|-----------|--------------------------|
| very low | <input type="checkbox"/> |
| below 50% | <input type="checkbox"/> |
| above 50% | <input type="checkbox"/> |

The Structured Product Definition - SPD

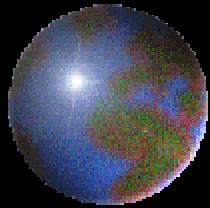
The form - part 3

| Brand | | | | | | | | | |
|-------------------------------------|--------------------------|----------------------|--------------------------|-----------|--------------------------|----------|--------------------------|--|--|
| G99 Brands available at the markets | | <input type="text"/> | | | | | | | |
| Most representative brands | | <input type="text"/> | | | | | | | |
| Source/Destination | | | | | | | | | |
| Domestic | <input type="checkbox"/> | | | | | | | | |
| Import | <input type="checkbox"/> | | | | | | | | |
| Export | <input type="checkbox"/> | | | | | | | | |
| Seasonal availability | | | | | | | | | |
| All year | <input type="checkbox"/> | | | | | | | | |
| Jan | <input type="checkbox"/> | Apr | <input type="checkbox"/> | July | <input type="checkbox"/> | October | <input type="checkbox"/> | | |
| Feb | <input type="checkbox"/> | May | <input type="checkbox"/> | August | <input type="checkbox"/> | November | <input type="checkbox"/> | | |
| Mar | <input type="checkbox"/> | June | <input type="checkbox"/> | September | <input type="checkbox"/> | December | <input type="checkbox"/> | | |
| Other comments | | | | | | | | | |
| K99 | <input type="text"/> | | | | | | | | |
| L99 | <input type="text"/> | | | | | | | | |
| M99 | <input type="text"/> | | | | | | | | |



What's New?

 **Concentration on the “Main Thing”**



The main thing is The main thing

Emphasis on Product Classification

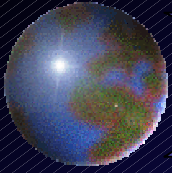
What to Price

How many to price

Where to price

Data Analysis, Quality control

Expenditure weights



Guiding Principles

❖ **Transparency**

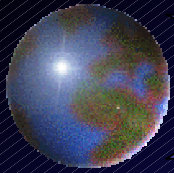
- ❑ **Open Dialogue**
- ❑ **Document Decisions**

❖ **Timeliness**

- ❑ **Early Warning Capabilities**
- ❑ **Abide by time tables**

❖ **Simplicity**

- ❑ **Minimize Bureaucratic requirements**
- ❑ **Ensure Transparency and Timeliness**



Guiding Principles

● **Defensible**

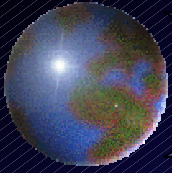
- **Statistical Practices Clear and Explainable**

● **Sustainable**

- **Integrate ICP & National Statistics Programs**

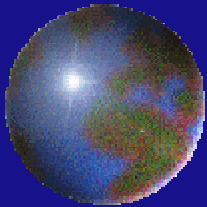
● **Availability**

- **Between countries within regions**
- **Between countries and regional coordinator**



Requirements

- **Time:** only 365 days before price collection begins April 1, 2004
- **People:** Experience with prices and national accounts and commitment
- **Money:** Equipment, data collection, travel, training



Thanks for Listening

???????????? Questions ??????????????