

FOREWORD

The 2005 International Comparison Program (ICP) is the largest ICP round to date, covering 146 economies. To run the ICP efficiently, the world was grouped into five geographic regions: Africa, Asia and the Pacific, Commonwealth of Independent States, Latin America, and Western Asia, plus an additional “region” of countries included in the regular purchasing power parity (PPP) program managed by the Organisation for Economic Co-operation and Development (OECD) and Eurostat. A regional organization coordinated the project in each of the five geographic regions. The Economics and Research Department of the Asian Development Bank (ADB) assumed the role of Regional Office for ICP in Asia and the Pacific (ICP Asia Pacific). The Regional Office was assisted by the Regional Advisory Board, the highest policy-making body for ICP Asia Pacific, which was responsible for setting regional goals, priorities, and objectives, taking into consideration statistical needs of regional agencies and economies.

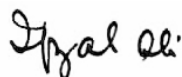
The current ICP structure is a result of a comprehensive strategic framework and action plan to address long-standing issues of the program. At its 32nd session in 2001, the United Nations Statistical Commission requested the World Bank, in collaboration with other agencies and “Friends of the Chair,” to formulate a new ICP framework that was subsequently endorsed during its 33rd session in 2002. The World Bank set up the ICP in 2002 to produce statistically sound comparisons of activity level and real gross domestic product (GDP) between economies. The ICP Global Office, located at the Development Data Group of the World Bank, provided overall coordination for the project. An ICP Executive Board steered the project to successful completion and delivery of high-quality results.

Initial planning for ICP Asia Pacific was carried out in December 2002 at ADB under the stewardship of Bishnu Dev Pant, with work on the first stage (developing the product lists) starting in late March 2003. The 23 economies that participated in the ICP Asia Pacific comparison—including 21 ADB member-economies—account for over half of the world’s population and about a quarter of global GDP. The 21 member-economies were: Bangladesh; Bhutan; Brunei Darussalam; Cambodia; People’s Republic of China; Fiji Islands; Hong Kong, China; India; Indonesia; Lao People’s Democratic Republic; Malaysia; Maldives; Mongolia; Nepal; Pakistan; Philippines; Singapore; Sri Lanka; Taipei, China; Thailand; and Viet Nam. At their request, the Islamic Republic of Iran and Macao, China also took part.

This publication presents the final results on estimates of PPPs of currencies of participating economies. These include estimates of “real” GDP and its major components, namely, household consumption, government consumption, gross capital formation, and net external trade. The final phase of the 2005 global ICP will integrate results from Asia and the Pacific with results from the other five regions: Africa, Commonwealth of Independent States, Latin America, and Western Asia as well as the OECD/Eurostat “region.” The final results for the whole world are scheduled for release by the Global Office on 17 December 2007.

ICP Asia Pacific has achieved several milestones. The simultaneous participation of the People’s Republic of China and India, which together account for 64% of total real GDP of the 23 economies involved, was a first for the ICP and significantly increased the coverage of the 2005 ICP. In this round, the diversity in the economies in terms of size, geography, and statistical capacities was overcome as the 23 participating economies worked concertedly to generate price and national accounts data that are broadly comparable. Further, the estimates of PPPs in this round are far more robust than those in previous rounds because of improvements in methodology, data collection, data review, and data processing. Finally, ICP Asia Pacific has established the technical know-how and institutional requirements that future ICP rounds can build on.

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ACRONYMS

ABS	Australian Bureau of Statistics
ADB	Asian Development Bank
AFCE	actual final consumption expenditure
BOCC	basket of construction components
COICOP	Classification of Individual Consumption by Purpose
CPD	country-product dummy
CPI	consumer price index
CPRD	country-product-representativity dummy
CUP	conventional unit to express parity
CV	coefficient of variation
EKS	Eltető-Köves-Szulc
FISIM	financial intermediation services indirectly measured
GDP	gross domestic product
GFCE	government final consumption expenditure
GFCF	gross fixed capital formation
GK	Geary-Khamis
HFCE	household final consumption expenditure
HK\$	Hong Kong dollar
ICP	International Comparison Program
NPISH	nonprofit institutions serving households
NSO	national statistical office
OECD	Organisation for Economic Co-operation and Development
PLI	price level index
PPP	purchasing power parity
PRC	People's Republic of China
SNA	System of National Accounts
SPD	structured product description
TAG	Technical Advisory Group
UN	United Nations
UNSC	United Nations Statistical Commission
UNSD	United Nations Statistics Division
US	United States