

ICP Asia Pacific

Fifth Meeting of the Regional Advisory Board

8-9 December 2005

ADB Headquarters, Manila, Philippines

Highlights of Proceedings

Election of New RAB Chair

1. Ms. Carmelita N. Ericta, Executive Director of the Philippine National Statistics Office was elected as the new RAB Chair.

Data Review at the Global Level

2. The ICP Global Deputy Manager representative reported that regional coordinators (RCs) met in September 2005 to review first and second quarter price data from all ICP regions. The data review workshop (DRW) was organized to ensure regional comparability and establish global credibility.

3. In the workshop, three of the five ICP regions submitted data to the Global Office (GO), one brought electronic files for illustration and the other brought paper copies showing limited information. This raised many issues regarding data submission, data access policies and confidentiality concerns.

4. The next RC meeting, scheduled on 6-10 February 2006, will review third and fourth quarter data. However, the RC expressed his apprehension that ICP Asia Pacific will not be ready with the third and fourth quarter data before the next RC meeting.

Methodology for Computing Global PPPs

5. The Global Deputy Manager informed that the Technical Advisory Group (TAG) re-emphasized the need to preserve fixity of regional results when linking regional PPPs to generate global PPPs. The TAG recommended the use of EKS as the aggregation method. TAG also acknowledged the importance of an alternative additive index and recommended to commission a paper on this matter.

Minimum Requirements for Participation in ICP 2005

6. In its October 2005 meeting, the Executive Board (EB) endorsed a set of basic minimum requirements on quality assurance procedures, established by the GO and the RCs that countries must meet to be included in ICP 2005. Requirements include the following:

- a. Collect and submit data for two quarters for 2005 reference year except for agreed items like housing where a single collection is suitable.
- b. Final prices submitted should be **national annual** average prices.
- c. Price collection can be limited to capital or major cities if auxiliary data are available to extrapolate to national levels.
- d. Submit individual item prices after each data collection period for regional review. If confidentiality provisions prohibit, the following are required for each item after each data collection period: average price, number of observations, coefficients of variation and representativity indicators.

- e. National level expenditure weights will be furnished for 155 basic headings.
 - f. Average prices must reflect purchases across all types of outlets to provide a representative national price. Prices just representing a subset of outlet types are not acceptable. (The RO has yet to inform countries of this requirement.)
7. Temporal and spatial aspects should be considered in the computation of national annual average prices. While the RAB was of the opinion that countries were in the best position to determine appropriate weights to derive national annual averages, a few countries may be unable to do this. Thus, the RAB suggested that the TAG give broad guidelines for the countries in deriving the required national annual averages. The need for weights becomes more important in view of the GO's minimum requirement of two quarters of data, especially for seasonal products. For example, if the two quarters data to be used for PPP computation are for off-season prices, say apples, then this would not represent annual average prices.

Data Submission to the Global Office

8. To ensure that price data will be comparable across ICP participating regions, the GO needs national quarterly data to evaluate if all the regions have been following consistent procedures. Country data are also necessary to perform data analysis to guide the choice of aggregation procedures for both regional and global comparisons.

9. The RAB acknowledged that the "*Framework of Partnership*" agreed upon between the countries and ADB does not include any clause for sharing quarterly data between the ROs and the GO. However, the RAB expressed its strong support to the GO's request for the RO to share quarterly country level data indicators that has undergone initial data validation. Thus, the RAB recommended that the RC seek the concurrence of the countries to meet this legitimate request from the GO.

10. Accordingly, the RC drafted a letter stating that the GO's review of quarterly price data of all regions is to be conducted for purposes of: i) ensuring all regions have met the minimum data quality standards set by the TAG and approved by the ICP Executive Board; ii) establishing interregional comparability and global consistency; iii) providing insights into price differentials among countries with similar levels of economic structure/development through cross regional country analysis; and iv) providing feedback to the countries on the outcome of the analysis discussed in the RC meetings. The first draft of the letter was reviewed during the meeting with the revised draft to be circulated to the RAB members before being sent to the countries.

11. Through the above-mentioned action, the RAB of ICP Asia Pacific has gone beyond endorsing the GO's need for the submission of price data for validation at the global level. The GO representative informed that he will share this action taken by the RAB, with the other ICP regions and encourage them to take similar steps.

Data Access and Confidentiality

12. National quarterly average prices to be sent to the GO are considered strictly confidential with access to the data being limited only to GO staff working on ICP. Furthermore, data will be deleted from the database upon completion of the review process.

13. The GO formed a Data Access Working Group to prepare recommendations on data access and confidentiality. In this regard, the RAB was informed that the Group will include one country from each of the ICP participating regions. Furthermore, in formulating its recommendations, the Group should consult the countries to see if there are any significant differences between their current national policies and practices for data dissemination and those which are going to be recommended by the Group, and if so, whether or to what extent they are prepared to adjust their national policies and practices to align with the Group's recommendations. Equally important factors are the credibility of the PPP numbers and the need of the research community.

14. The possibility of the GO setting minimum requirements for data access was also suggested and countries can then be requested to take the necessary steps to provide the minimum requirements. Relatedly, it was mentioned that ESCAP has just done a survey on data dissemination policies which could be referred to by the GO working group with the concurrence of ESCAP.

15. The RAB acknowledged that irrespective of the PPP data that would result from this round, the most important legacy of ICP Asia Pacific would be in terms of capacity-building.

Data Release

16. The meeting also discussed the level of details for publication. There was a general agreement that it was not possible to publish PPPs for all the 155 basic headings (BH). A few countries could not provide all the 155 BHs in spite of full-GDP participation and sometimes the problem may not be with the PPP numbers themselves, but in how well the countries have applied the 1993 System of National Accounts (SNA) recommendations, particularly on the use of classification schemes for economic activities and outputs. Inconsistencies in coverage may exist at levels of disaggregation lower than the BH level if countries are not properly using recommended classification schemes.

17. The RAB agreed to have a meeting of NSO heads; drafting of a communication plan and pre-launching activities to “educate” potential PPP data users prior to the release of PPP data. These could include press releases and the dissemination of a “laymanized” primer on PPPs. Information on the new set of PPPs can generate the necessary reaction from concerned government agencies and others who are most likely to use the data. The Chair invited the RAB members to give key messages that could be part of the communication plan.

Regional Data Review

18. The RC reported on the steps it has taken for intra-country data validation, such as the following:

- a. Formulation of “Price Data Validation Procedure for Countries”
- b. Development of an automated country-level data validation
- c. Establishment of a feedback mechanism

These are in addition to the “Country Diagnostic Report” from ToolPack which has been recently made available.

19. The RO conducted three data review workshops to review quarterly price data according to the following schedule:

	DRW (Q1 data)	DRW (Q2 data)	Third DRW
Dates conducted	4 – 8 July 8 – 12 August 29 August – 2 September	28 Sept – 5 Oct	23 – 26 November
No. of countries participating	21 (excludes Pakistan; Singapore submitted Q1 data but did not attend DRW)	22 (excludes Singapore)	22 (excludes Singapore)
Global Office representative/ICP Asia Pacific consultant present	Yonas Biru Prasada Rao Derek Blades	Yonas Biru	Prasada Rao
No. of countries submitting data using ToolPack	20	21	21

20. China submitted data for 11 cities for the first half of 2005, covering food and non-food items for household consumption both in urban and rural areas. However, there is still a need to conduct additional price surveys for some non-food items in the rural areas. Furthermore, China should use ToolPack for submitting data to the RO.

21. Singapore has submitted only Q1 data which, so far, has many problems and has not sent participant to any of the DRWs. An ADB mission visited Singapore on 14 November to discuss their ICP participation during which they agreed to update their submissions. The mission was also informed that they were taking steps to use ToolPack although the RO is yet to receive data in TP format. They were also invited to attend the RAB meeting as observer, but they could not attend.

22. Pakistan submitted Q2 data which require significant validation.

23. The RC presented sample data received from the countries showing products and BHs with “good” and “bad” data based on Q1 and Q2 validated data. The RAB suggested that CVs should only be one of the aspects for determining acceptability of price data. While countries should be advised to check prices when CVs exceed the recommended upper bound of 30%, it would also be helpful to compare the price levels and price behavior of countries with similar geographic configuration or levels of economic development. This is in addition to other data validation procedures already being implemented by the RO.

24. The meeting acknowledged that some products, though priced by some countries, might have to be dropped after validating that the countries have not priced products as specified in the regional product list; and, if the share of the products or the BH under which the product are classified is relatively insignificant. Representativity indicators must also be considered in deciding which products to drop.

ToolPack Matters

25. The RO conducted eight ToolPack training workshops in 2005 as follows:

Date	Participants
14-15 April	ICP Asia Pacific Regional Office
18-19 April	NSO, Philippines
20-22 April	Hong Kong, China; Malaysia; Thailand; Sri Lanka; Taipei, China; Vietnam
27 April	MSPI, India
13-15 June	Brunei, Cambodia, Fiji, Indonesia, Lao PDR, Macao, Mongolia
16-18 June	Bhutan, Bangladesh, India, Iran, Maldives, Nepal, Pakistan, Thailand
15-16 July	NSC, Lao PDR
15-17 August	BTEI, Thailand

26. As of Q2 data submission, twenty one countries are now using TP for data entry. Only China and Singapore have not submitted their data in TP format. . As a temporary solution, the RO developed an Excel-based worksheet to allow them to submit the necessary parameters for inclusion of their data in the generation of Quaranta tables. Singapore has informed the RC that they are taking steps to use TP. Pakistan has problems with TP implementation. The RC reiterated its offer to provide ToolPack training, through the GO and M/s Satyam, to China (Chinese version), Singapore and Pakistan.

Data Collection for Non-Household Items and the Ring List

27. The GO has scheduled data collection for construction, equipment, general government services and ring comparison in the first two quarters of 2006. The GO will send data collection forms and survey guidelines by December 20.

28. The ring list, containing some 950 consumption items, has been finalized by the GO and a catalogue including specifications and corresponding pictures is being printed. The global list will also include construction and government services. On the other hand, the equipment list SPD/PS templates have been prepared and the regions are reviewing them based on their market situations.

Overall ICP Workplan

29. The EB approved the plan to publish PPPs in stages beginning with household consumption followed by the full GDP. The revised global ICP workplan is as follows:

ACTIVITY	TIME PERIOD
Overview Complete consumption data collection Complete investment, housing, government, etc. Complete ring data collection	Q4 2005 – Q1 2006 Q1 – Q2 2006 Q3 2006
Preliminary Regional PPPs PPPs for consumption PPPs at GDP level	Q3 – Q4 2006 Q4 2006 – Q1 2007
Preliminary Global PPPs PPPs for consumption PPPs at GDP level	Q1 2007 Q2 2007
Final PPPs Regional PPPs using final 2005 weights and GDP Global PPPs using final 2005 weights and GDP	Q3 2007 Q4 2007

Poverty PPPs

30. The TAG approved a new poverty estimation procedure by Prof. Deaton, as endorsed by the Poverty Advisory Group. Efforts are underway to establish correspondence between expenditure estimates from household surveys and the ICP basic headings (BH) for household consumption. The plan is to compute poverty PPPs using price data from the ICP with expenditure weights from household surveys.

31. Sensitivity analysis will be done on prices collected from the mainstream ICP, for computing poverty PPPs, validated from other sources of price data.

Advocacy

32. Based on the evaluation of the UNSIAP's "First Regional Course in Price Statistics and the ICP" held in September, participants found the ICP module relevant but time allotted was insufficient. It was suggested to prepare materials separately for one-week and two-week training courses. The RAB commended the impact of the training courses on capacity-building and suggested the integration of ICP topics in the statistical training activities in the countries.

Funding

33. The RAB highly valued the commendable actions by participating countries in taking so much burden because of the limited amount provided by ADB, with one country even deciding not to accept seed funds. In fact, some countries are doing ICP work even without seed funds from the RO. The RO expressed that it was encouraged by the support of the ICP Global Office, and together with the dedication, commitment and sacrifice of the countries, ICP Asia Pacific has been kept afloat.

34. The RC reported on the funding situation of ICP Asia-Pacific. The program's original funding is \$6.0 million. Since the start of the program in 2003, however, it has taken on additional activities not originally envisaged. Though still short of the total required funding, ADB has been making efforts to mobilize enough resources for ICP through the generosity of funding agencies and support of participating countries. The Chief Economist of ADB informed that ADB had approved an additional grant of \$0.670 million for ICP Asia Pacific.

Next ICP Round

35. The Global Deputy Manager informed the RAB that they are now getting queries from countries and regions about the future of ICP. This was presented to the October 2005 EB meeting. The EB agreed that ICP should continue and recommended that an evaluation of the current program should start soon and completed not later than October 2006, in preparation for the next round. Some regions are already assessing the cost of the next round for fund raising purposes. The RAB agreed that the next round should be immediately organized at the end of the current round to capitalize on the present momentum and experience gained.

Sixth Meeting of the RAB of ICP Asia Pacific

36. The sixth RAB meeting was tentatively scheduled in June/July 2006.

Participants to the fifth meeting of the RAB

37. See attached list of participants to the fifth meeting of the RAB.

ICP Asia Pacific
Fifth Meeting of the Regional Advisory Board
8-9 December 2005
ADB Headquarters, Manila, Philippines
List of Participants

CHINA, PEOPLE'S REP. OF

Mr. Huang Langhui
Director General
International Statistical Information Center
National Bureau of Statistics
75 Yuetan Nanjie, Xichengqu, Beijing, People's Rep. of China
Email: huanglh@stats.gov.cn

Mr. Zhang Peng
Director, ICP Division
National Bureau of Statistics
75 Yuetan nanjie, Xichengqu, Beijing, People's Rep. of China
Email: zhangpeng@stats.gov.cn

HONG KONG, CHINA

Mr. Hing Wang Fung
Commissioner for Census and Statistics
Government of the Hong Kong Special Administrative Region
21 Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong, China
Email: hwfung@censtatd.gov.hk

INDIA

Mr. Vishnu Kumar
Deputy Director General
Central Statistics Organization
Ministry of Statistics and Program Implementation
Sardar Patel Bhavan
Parliament St., New Delhi, India
Email: v-kumar@nic.in

INDONESIA

Mr. Moeljono Moeah
Deputy Director General
Methodology and Statistical Information
BPS – Statistics Indonesia
6-8 Jalan Dr. Sutomo, P.O. Box 1003, Jakarta, Indonesia
Email: muljono@mailhost.bps.go.id

PHILIPPINES

Ms. Carmelita Ericta
Executive Director
National Statistics Office
Solicarel Building, R. Magsaysay Blvd.
Sta. Mesa, Manila, Philippines

Email: c.ericta@census.gov.ph

AUSTRALIA

Mr. Paul McCarthy
Head, Prices Branch
ABS House, 45 Benjamin Way
Belconnen ACT 2617, Australia
Email: paul.mccarthy@abs.gov.au

SIAP

Mr. Tomas P. Africa
Director
3-2-2 Wakaba, Mibama-ku, Chiba-shi
Chiba 261-8787 Japan
Email: t.africa@unsiap.or.jp

ICP GLOBAL OFFICE

Mr. Yonas Biru
Global Deputy Manger
International Comparison Program
C/o DECDG , 1818 H. Street NW, Washington D. C. 20433 USA
[Email: fvogel@worldbank.org](mailto:fvogel@worldbank.org)

ASIAN DEVELOPMENT BANK

Mr. Ifzal Ali
Chief Economist
Economics and Research Department
6 ADB Avenue, Mandaluyong City, Philippines
Email: iali@adb.org

Mr. Yun-Hwan Kim
Assistant Chief Economist, ERDI
Development Indicators and Policy Research Division
Economics and Research Department
6 ADB Avenue, Mandaluyong City, Philippines
Email: yhkim@adb.org

Mr. Vaskar Saha
Regional Coordinator, ICP Asia Pacific
Development Indicators and Policy Research Division
Economics and Research Department
6 ADB Avenue, Mandaluyong City, Philippines
Email: vsaha@adb.org

Mr. Timothy Lo
Statistician (ICP)
Development Indicators and Policy Research Division
Economics and Research Department
6 ADB Avenue, Mandaluyong City, Philippines
Email: timothylo@adb.org

