

# ICP Expenditure Classification

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# Basic Headings

- Expenditure weights needed for each basic heading.
- The Basic Headings provide a framework for identifying specific goods and services.
- The basic headings will be used as the framework for editing the reported prices.
- The ICP organisers will calculate PPPs for the basic headings before aggregating them to higher levels for publication.

# Regional versions of the Expenditure Classification

- Some regions may find that the Expenditure Classification does not adequately reflect expenditure patterns in their countries.
- For example, class 11.01.11.0 Bread and cereals contains the following basic headings:
  - Rice
  - Other cereals, flour and other cereal products
  - Bread
  - Other bakery products
  - Pasta products

- In Africa, rice is relatively unimportant compared to maize.
- It may be useful to divide the second basic heading “Other cereals, flour and other cereal products” into:
  - Maize
  - Other cereals, flour and other cereal products (excluding maize).

# Adding a Basic Heading

- Class 11.01.11.0 Bread and cereals then becomes:
  - Rice
  - **Maize**
  - Other cereals (**except maize**), flour and other cereal products
  - Bread
  - Other bakery products
  - Pasta products

# Empty Basic Headings

- Veterinary services for pets
- Cheese
- Major tools and equipment
- Combined passenger transport
- Animal drawn vehicles
- FISIM
- Narcotics and prostitution