

Purchasing Power Parities and Prices

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Producer Price Indices

Purpose

The measurement of prices and volumes in the service sector is a significant statistical challenge. Yet, services account for a large part of OECD economies' employment and value-added and their measurement is key. The present activity is designed to advance methodological work on producer price indices in general and for service industries in particular. Another objective is to take stock of available statistical series in this field in Member countries.

Objectives and outputs

For 2003, the objective is to advance a common understanding and methodology for PPIs in a selected industries such as telecommunication services. Further, an inventory of available PPIs for service industries in Member countries will be updated.

A third objective is to contribute successfully to the development of an international manual on PPIs.

Main Developments for 2003

General aspects:

The methodological research part of this activity is new in 2003. The data inventory part will see no major changes over previous years.

Work on the international PPI manual continues from last year and will lead to a first full draft in 2003.

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Purchasing Power Parities

Purpose

Produce reliable and timely Purchasing Power Parities (PPPs) data for OECD member countries. PPPs are an important tool to compare levels of real income or real output across countries with indicators such as GDP per capita and relative price levels between countries.

Objectives and outputs

Organisation of the 2002 round - the data collection for which started in the first half of 2000. The 2002 round covers 43 countries as in 1999 (29 OECD countries and 14 non-member countries). During the 2002 round the OECD is working closely with Eurostat to further harmonise the methodology employed. The OECD is also organising annual meetings with non-European OECD countries ('The Pacific Group') to have closer relationships with countries at all stages of the round. A meeting with the Pacific group will be organised in New Zealand end of 2003 to discuss the preliminary results of the round 2002. OECD is also participating in the ad-hoc Task Forces set up to discuss various issues associated with PPPs. Provide technical input inot the 2004 round of the ICP currently being organised by the World Bank.

Publications

Publication every three years

Databases

Purchasing Power Parities

Main Developments for 2003

General aspects:

No major changes.

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Purchasing Power Parities for Non-Member Countries

Purpose

To calculate benchmark purchasing power parities (PPPs) for selected non-member countries either specifically within the OECD PPP Programme or more generally for the European Comparison Programme. PPPs are currency converters that equalise price levels between countries; they are necessary in order to make inter-country price and volume comparisons of GDP and its component expenditures.

Objectives and outputs

Contribute to the organisation of the 2002 round of the OECD PPP Programme. Non-members covered include Bulgaria, Croatia, Cyprus, Estonia, Israel, Latvia, Lithuania, Macedonia, Malta, Romania, the Russian Federation and Slovenia.

Finalise the benchmark results of the 2000 round of the CIS comparison and linked them to updated 1999 OECD benchmark results. The comparison covers all CIS countries (except Turkmenistan and Ukraine) and Mongolia.

Complete the experimental bilateral comparison for 1999 between seven cities in China and the OECD.

Databases

Purchasing Power Parities for non-member Countries

Main Developments for 2003

General aspects:

Commence, in collaboration with Eurostat and the Statistical Office of the Republic of Slovenia, the inclusion of Albania, Bosnia-Herzegovina, Croatia, Macedonia and Yugoslavia in the 2005 round of the OECD PPP Programme.