

# Main results of the International Comparison Program - 2017 Cycle for Latin America and the Caribbean

Seminar on National Accounts of Latin America and the Caribbean: The Future of Economic Statistics

Virtual meeting, 14-16 October 2020  
ECLAC Statistics Division



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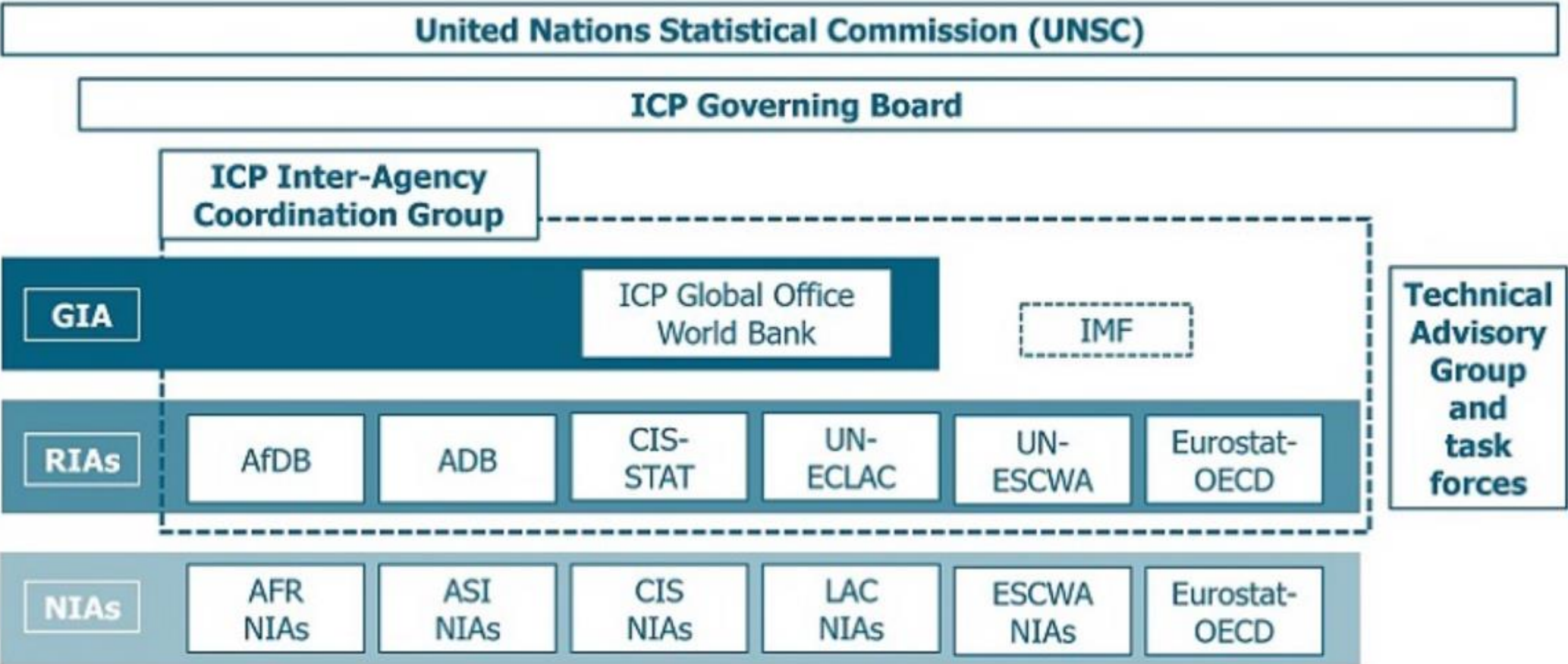
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# Main objective International Comparison Program

- (i) produce **purchasing power parities (PPPs)** and **comparable price level indexes (PLIs)** for participating economies;
- (ii) convert **volume and per capita measures of gross domestic product (GDP)** and its expenditure components into a common currency using PPPs.



# International Comparison Program Governance



Global Implementing Agency (GIU) | Regional Implementing Agency (RIA) | National Implementing Agency (NIA)

Source: <https://www.worldbank.org/en/programs/icp#3>



# Dissemination of ICP 2017 Cycle results

The release of ICP 2017 Results(Globa Office/ECLAC)

- World Bank, ICP 2017 Report, May 2020:

*Report Purchasing Power Parities and the Size of World Economies: Results from the 2017 International Comparison Program*

<https://openknowledge.worldbank.org/bitstream/handle/10986/33623/9781464815300.pdf>

- ECLAC press release:

*Latin America and the Caribbean represents 8% of the global GDP and the world population, according to a new multilateral report*

<https://www.cepal.org/es/comunicados/america-latina-caribe-representa-8-pib-global-la-poblacion-mundial-segun-nuevo-informe>

- ECLAC Document on ICP 2017 Cycle results for Latin America and the Caribbean

*In progress*



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# Dissemination of ICP 2017 Cycle results

**EMBARGOED: NOT FOR PUBLICATION, BROADCAST, OR TRANSMISSION UNTIL MAY 19, 2020 AT 9:00 AM EDT, WHICH IS 1:00 PM UTC.**



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## NEWS RELEASE

### New purchasing power parities show low- and middle-income economies account for half of the global economy

**WASHINGTON, May 19, 2020** — New purchasing power parities (PPPs) for reference year 2017 that adjust for differences in the cost of living across economies were released today by the [International Comparison Program \(ICP\)](#).

According to the report [Purchasing Power Parities and the Size of World Economies: Results from the 2017 International Comparison Program](#), the size of the global economy was nearly \$120 trillion in 2017 measured by the new PPPs, and over half of total economic activity was in low- and middle-income economies.

High-income economies, where 17 percent of the global population lives, accounted for 49 percent of global PPP-based gross domestic product (GDP). Upper and lower middle-income economies, home to 36 percent and 40 percent of the global population, contributed 34 percent and 16 percent respectively. The share of global PPP-based GDP for low-income economies, with 8 percent of the global population, was less than 1 percent. The two largest economies were China and the United States, each recording a PPP-based GDP of just under \$20 trillion in 2017. Together they accounted for one-third of the global economy.

*"The strong partnership of countries, regional agencies and international organizations is what makes the ICP possible," said Mari Pangestu, Managing Director for Development Policy & Partnerships, The World Bank. "The new data will help to improve our collective understanding of the global economy, serving as a crucial benchmark from which to measure the economic impact on economies across the globe as we work to achieve better development outcomes."*



Inicio » Comunicado de prensa » América Latina y el Caribe representa el 8% del PIB global y de la población mundial, según nuevo informe multilateral

Disponible en: Español

## América Latina y el Caribe representa el 8% del PIB global y de la población mundial, según nuevo informe multilateral

El Programa de Comparación Internacional (PCI), del que la CEPAL forma parte, publicó hoy las nuevas paridades del poder adquisitivo (PPA) correspondientes al ciclo de 2017.

19 DE MAYO DE 2020 | COMUNICADO DE PRENSA



ESTADÍSTICAS



#### ENLACES

Informe Paridades del poder adquisitivo y el tamaño de las economías mundiales (en inglés)

#### TEMAS

ESTADÍSTICAS ECONÓMICAS

#### CONTACTO

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#### SUSCRIPCIÓN

Reciba las novedades de la CEPAL por correo electrónico

Suscribirse

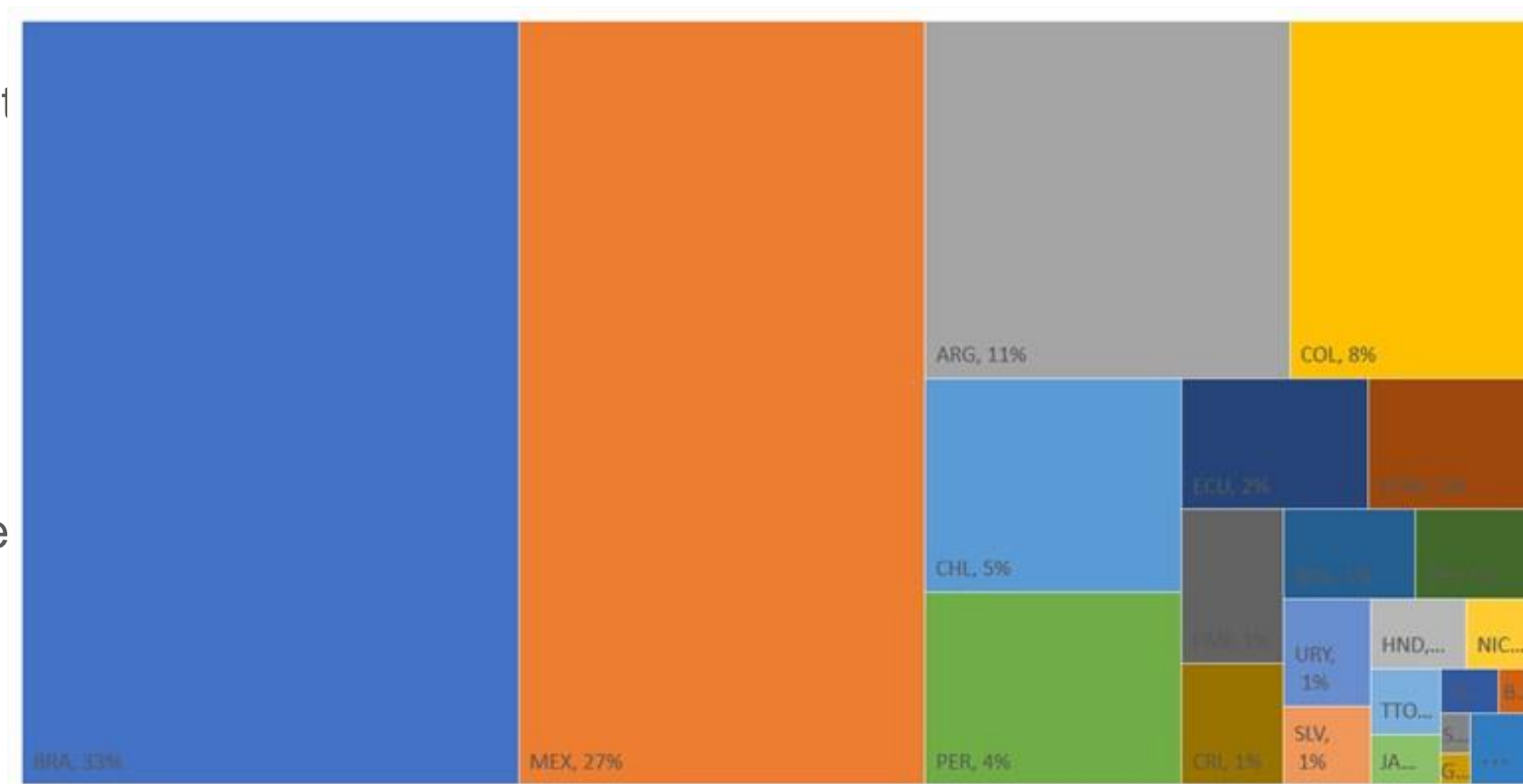


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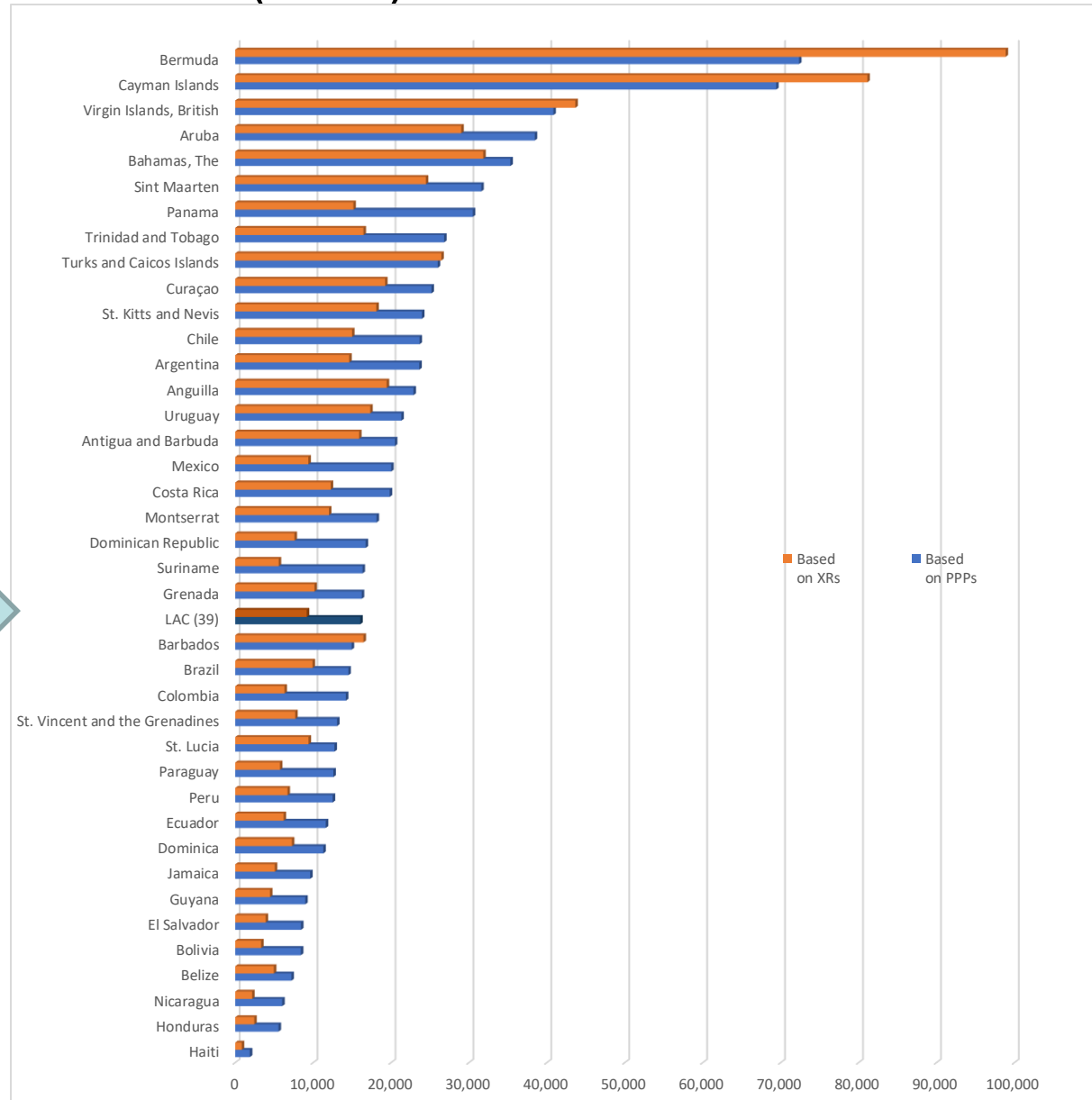
# 2017 Cycle of the International Comparison Program: Main results for Latin America and the Caribbean

- PPP-based GDP: \$9,199 billion (8 percent of global GDP)
- Market exchange rate-based GDP: \$5,263 billion (7 percent of global GDP)
- Global population share 8 percent



ECLAC, based on figures from "Purchasing Power Parities and the Size of World Economies : Results from the 2017 International Comparison Program"

# Latin America and the Caribbean: GDP per capita (Dollars)

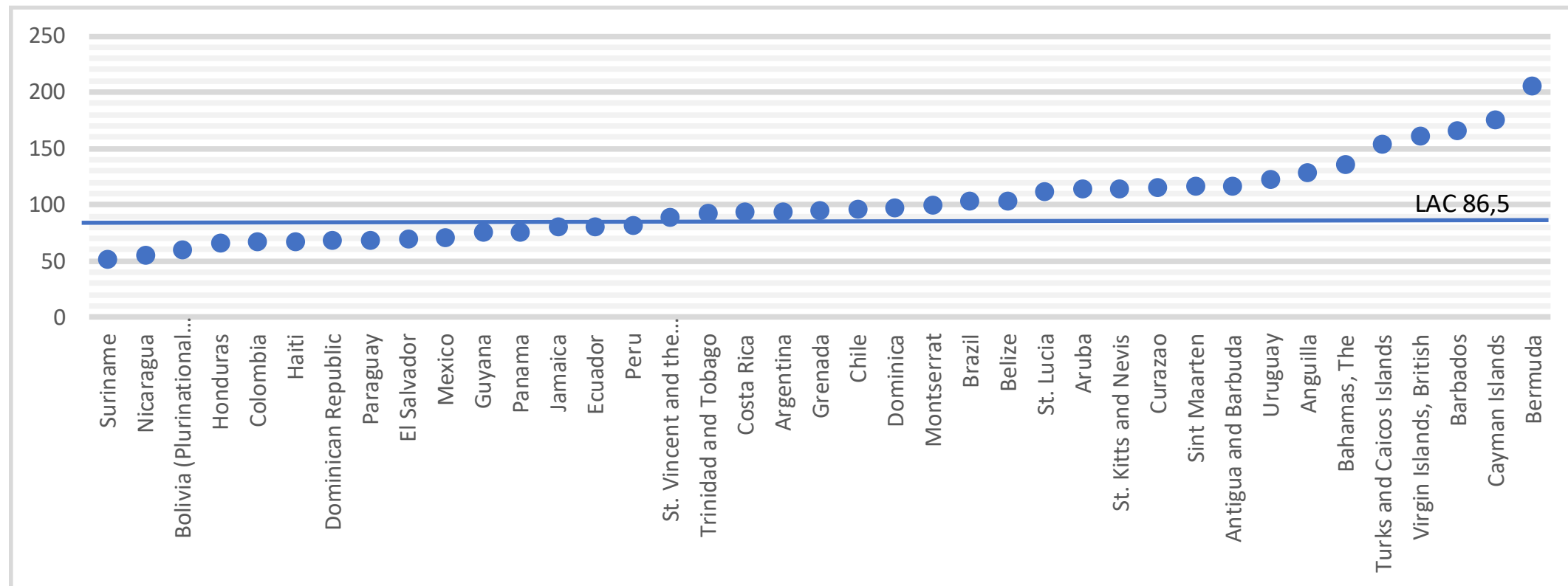


GDP per capita for the region averaged \$16,048 below the global mean of \$16,596



# Latin America and the Caribbean main results of the 2017 Round of the International Comparison Program

Price level Index  
(World =100)



ECLAC, based on figures from "Purchasing Power Parities and the Size of World Economies : Results from the 2017 International Comparison Program"



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## ECLAC: ICP 2017 Cycle regional and subregional results



- 36 LAC economies.
- Chile, Colombia, Costa Rica y Mexico were part of OECD countries.
- Regional and subregional results: Latin America and the Caribbean.
- Brazil reference country, results expressed in reais.

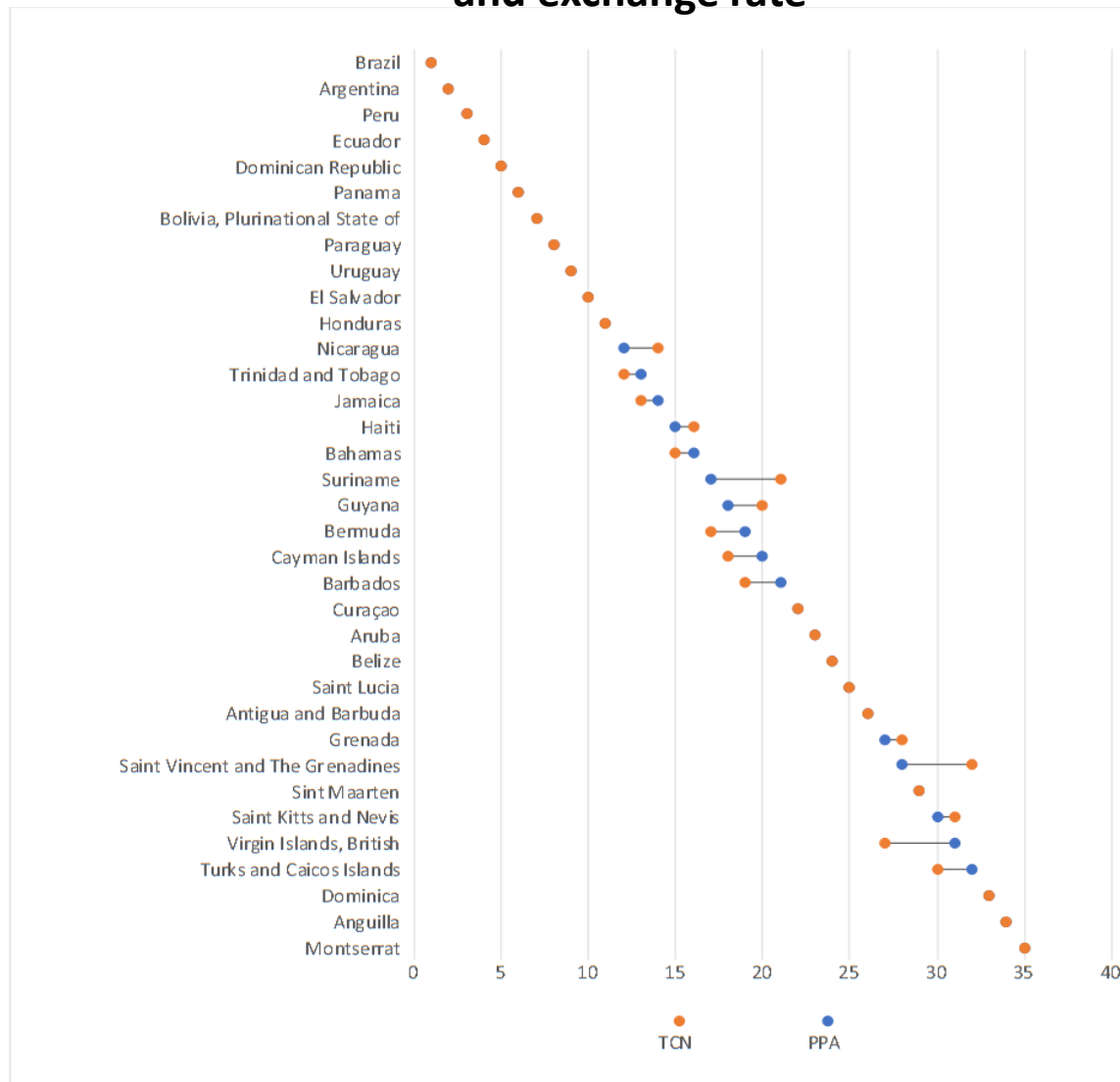


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# ECLAC: ICP 2017 Cycle regional and subregional results

## Latin America and the Caribbean: GDP Ranking based on PPP and exchange rate



- Most economies (20) do not change their position in the regional ranking, especially the highest and lowest in the table.

Source: ECLAC based on the ICP 2017 Cycle results for LAC.



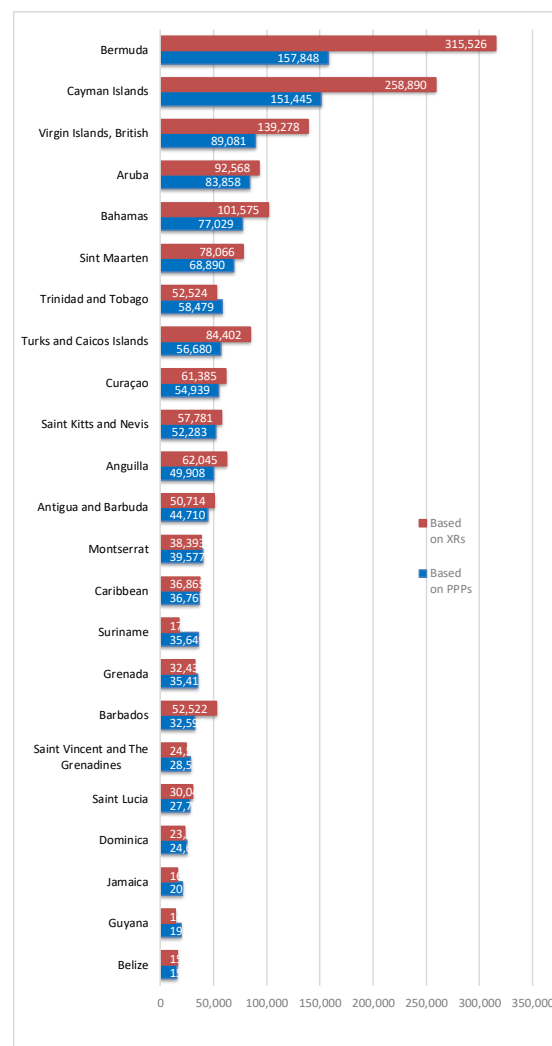
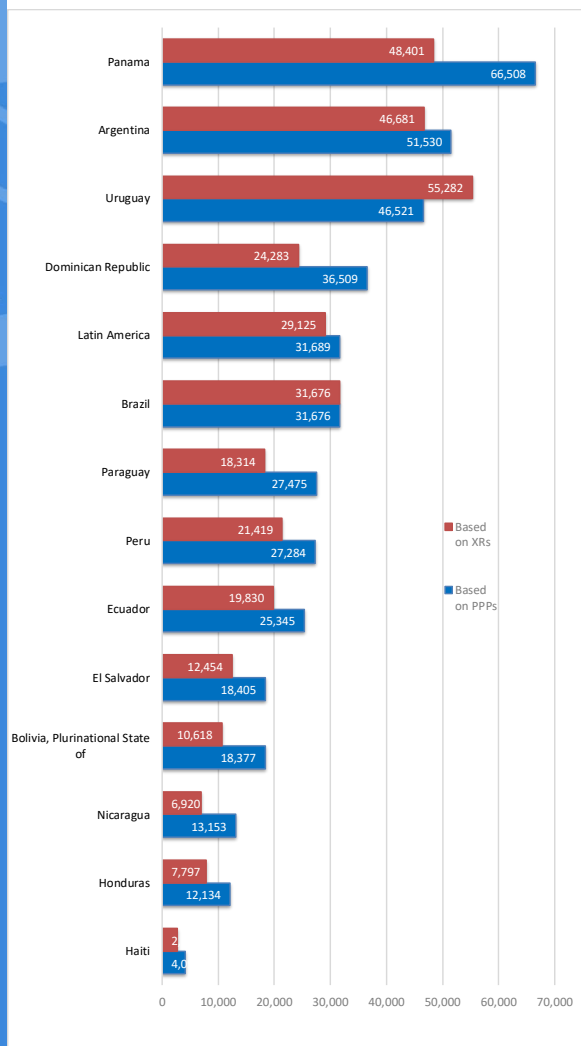
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# ECLAC: ICP 2017 Cycle regional and subregional results

## Latin America and the Caribbean : GDP per capita based on PPP and exchange rate in 2017

(reales)



- GDP per capita LAC 12% lower than the world average measured in PPP, and 18% lower than the world average measured according to the nominal exchange rate.
- GDP per capita in Latin America was 12% lower than the world level, if measured according to PPP, while the Caribbean exceeded it by 2%.
- Differences in the population level in each subregion, Latin America in 2017 had a population of 369.3 million, while the Caribbean was around 7.9 million people.
- Bermuda had the highest regional GDP per capita in 2017, exceeding the lowest GDP per capita for the region by 39 times.

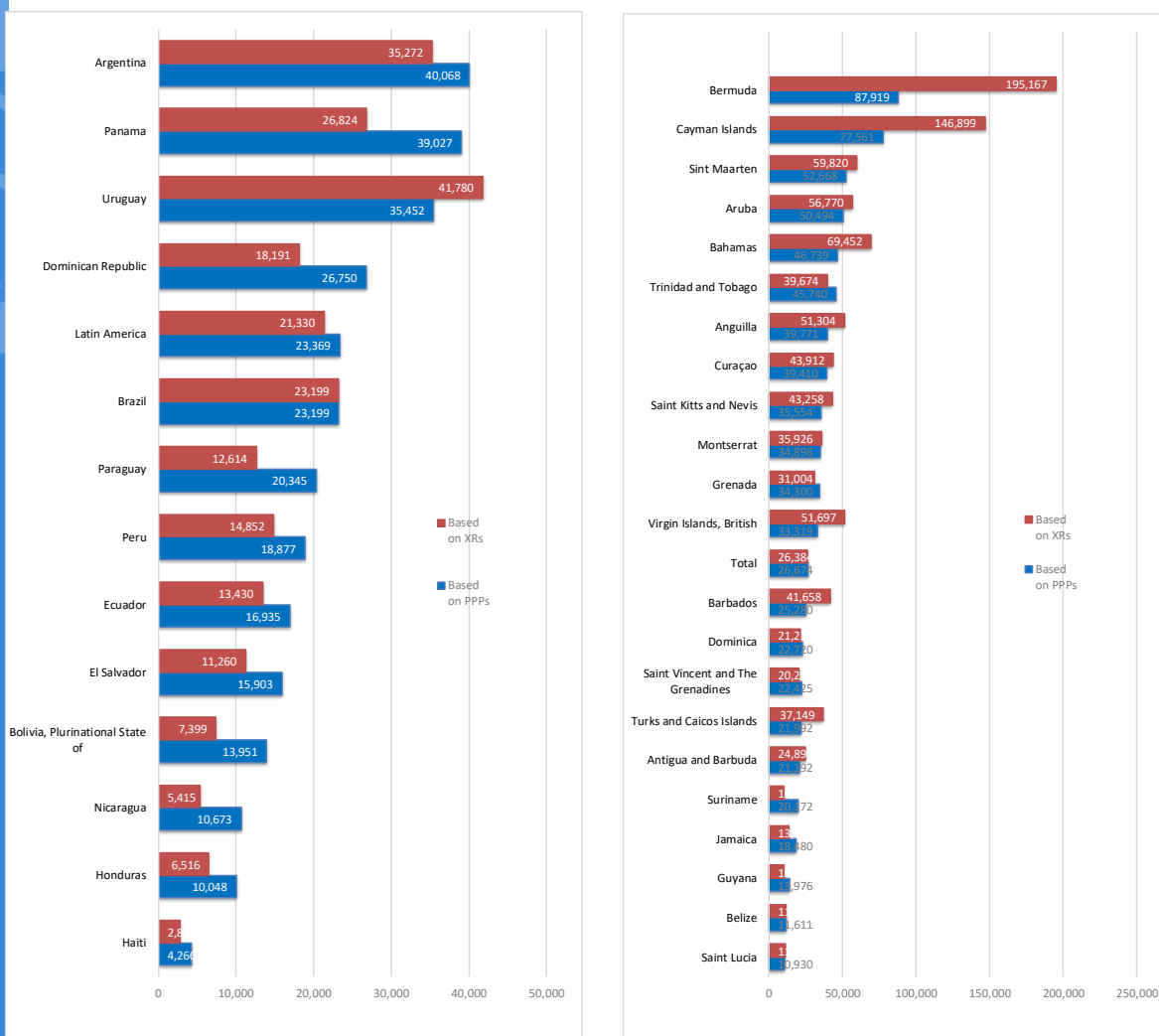
Source: ECLAC based on the ICP 2017 Cycle results for LAC.



# ECLAC: ICP 2017 Cycle regional and subregional results

## Latin America and the Caribbean: Actual Individual Consumption expenditure per capita based on PPP and exchange rate, 2017

(Reais)



- Actual Individual Consumption per capita for LAC in 2017 was equal to the world average as measured by PPP and 8% lower as measured by the nominal exchange rate
- Based on PPP, Latin America was 0.7% below the world average while the Caribbean exceeded the world average by 13%.
- Based on exchange rate, Latin America was 8% below the world average while the Caribbean exceeded it by 14%.
- Bermuda had the highest AIC per capita, 21 times the country with the lowest per capita level.

Source: ECLAC based on the ICP 2017 Cycle results for LAC.

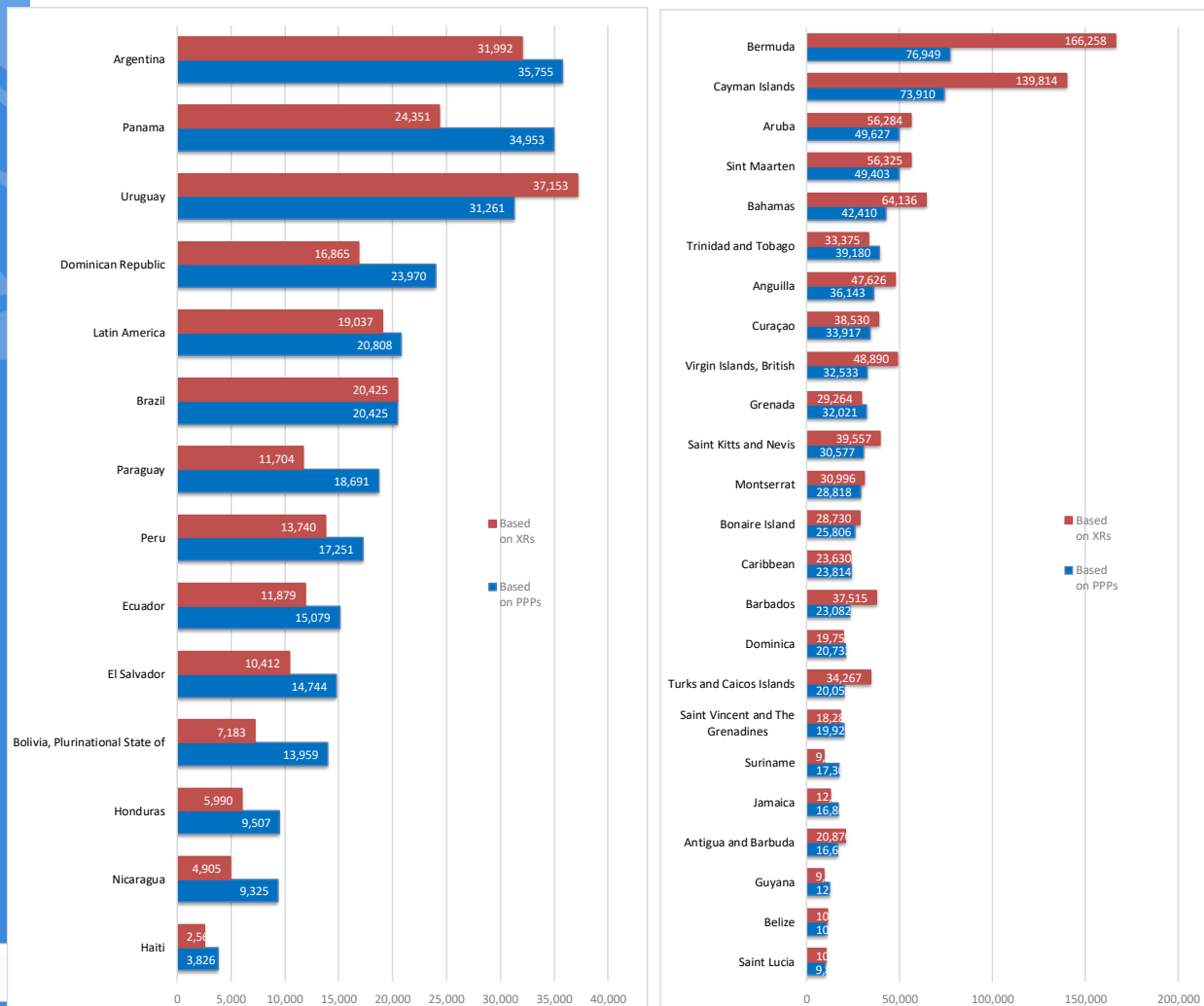




# ECLAC: ICP 2017 Cycle regional and subregional results

Latin America and the Caribbean: Households and NPISH final consumption expenditure per capita based on PPP and exchange rate, 2017

(Reales)



Based on PPP, LAC household consumption expenditure per capita was 0.5% higher the world average, instead based on exchange rate this figure was 4.4% below.

Household consumption per capita by sub-region with respect to the world average: based on PPP, LA was 0.5% higher, and the Caribbean was 14% higher. According to the nominal exchange rate, Latin America was 4.8% below the world average and the Caribbean was 18% above it

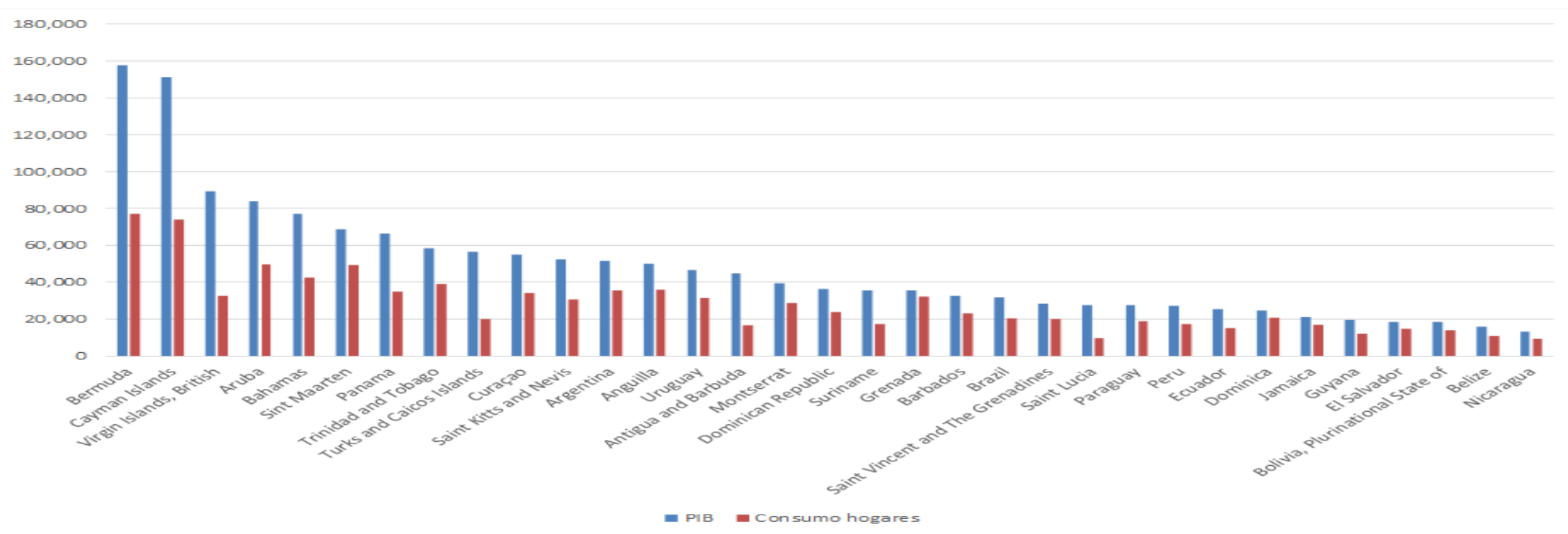
source: ECLAC based on the ICP 2017 Cycle results for LAC.



# ECLAC: ICP 2017 Cycle regional and subregional results

Latin America and the Caribbean: GDP and Households and NPISH  
final consumption expenditure per capita based on PPP in 2017

(Reais)



Source: ECLAC based on the ICP 2017 Cycle results for LAC.

- Household consumption in Latin America and the Caribbean represented 66% of GDP, measured in PPP in 2017, higher than the 58% share of household consumption in GDP world average.



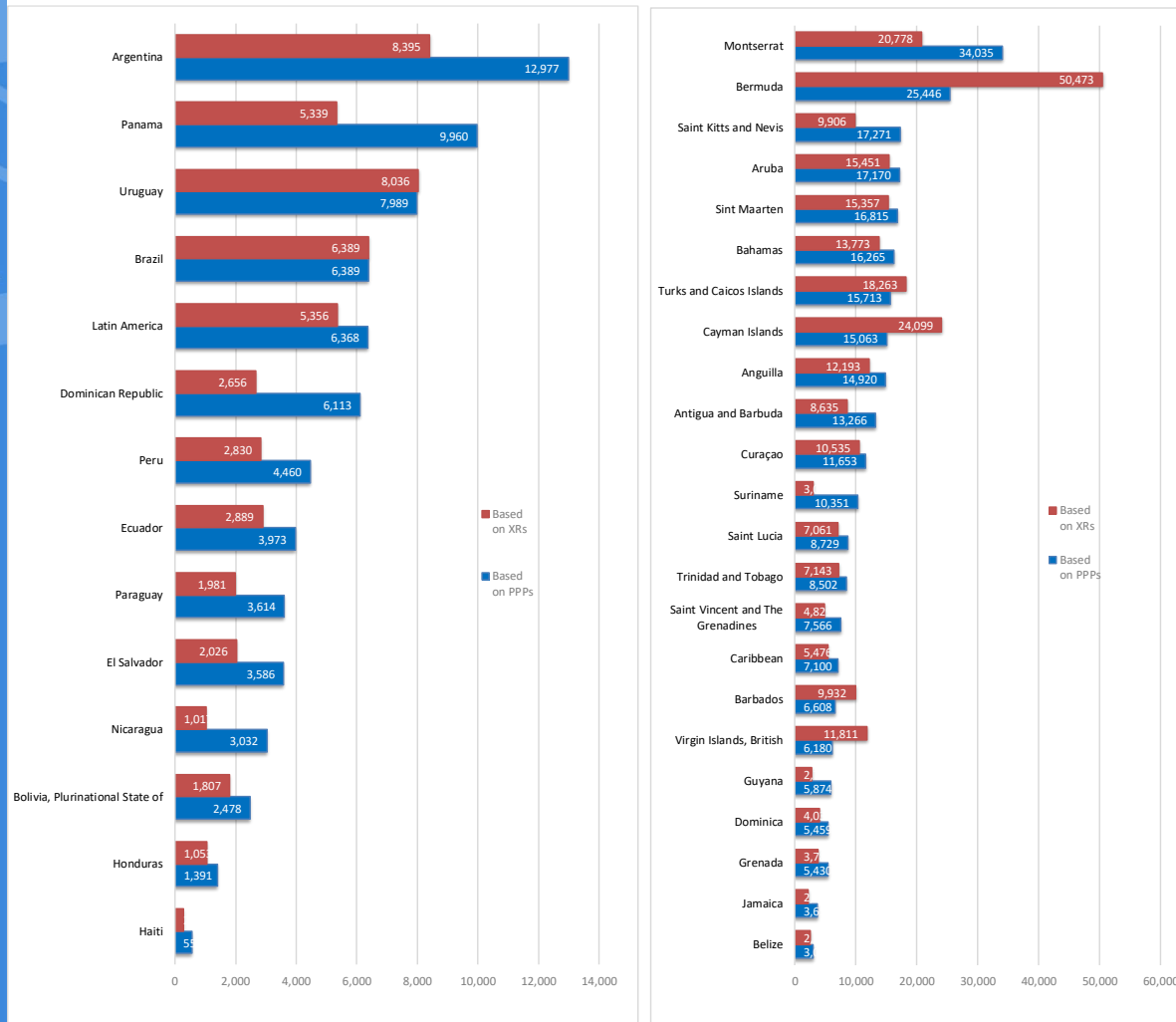
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# ECLAC: ICP 2017 Cycle regional and subregional results

## Latin America and the Caribbean: General Government Final Consumption Expenditure per capita based on PPP and exchange rate, 2017

(Reales)



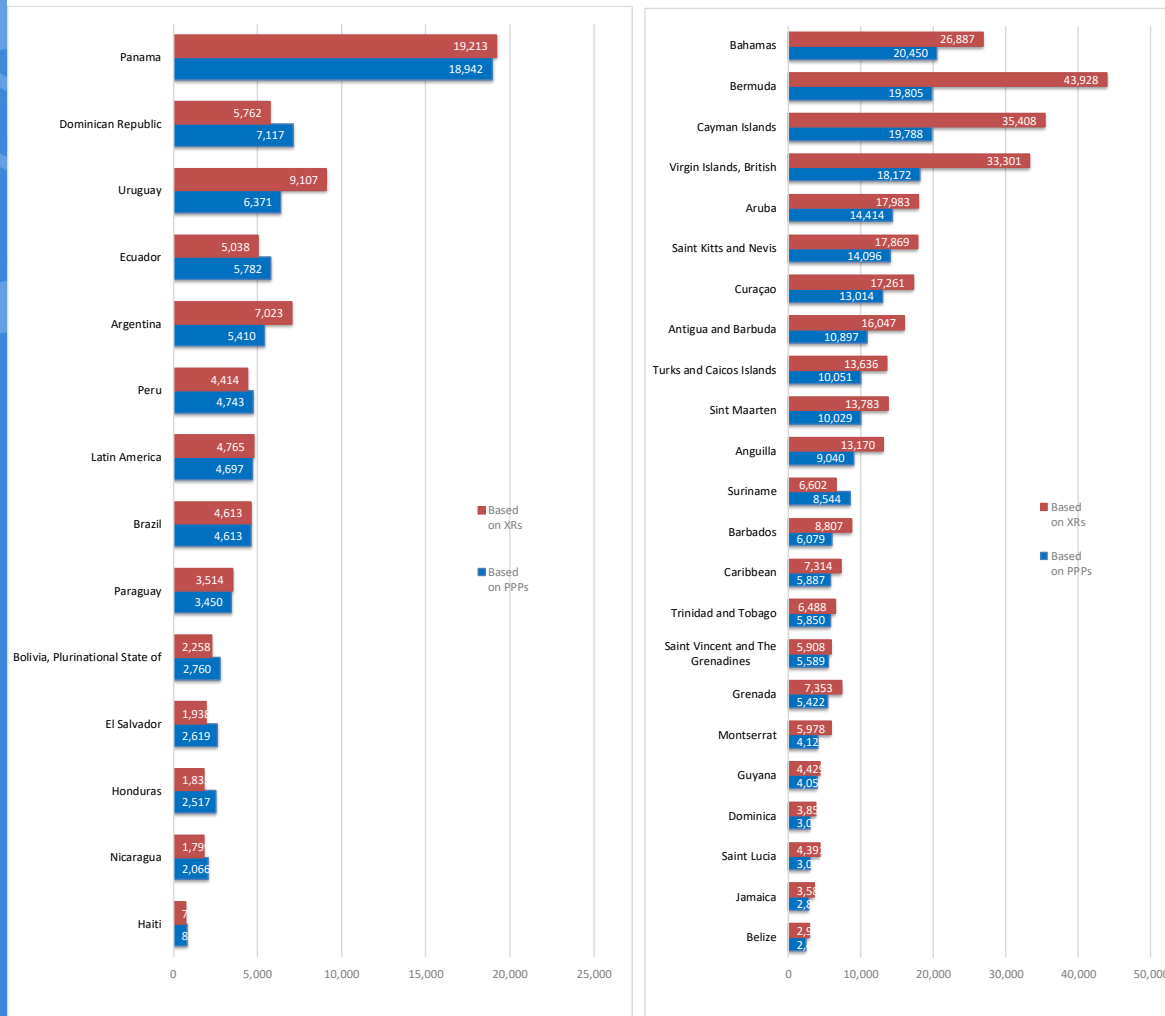
- Based on PPPs, LAC government final consumption expenditure per capita was 4.7% higher than the world average, according to the nominal exchange rate, 9.1% below the world average.
- By subregion, this indicator measured in PPP was higher than the world average for both LA (3.5%) and the Caribbean (15.5%). Based on exchange rate both subregions were below the world average, LA 8.2% and the Caribbean 6.2%
- The Caribbean showed a per capita government expenditure 11% higher than that of Latin America

Source: ECLAC based on the ICP 2017 Cycle results for LAC.

# ECLAC: ICP 2017 Cycle regional and subregional results

## Latin America and the Caribbean: Gross Fixed Capital Formation per capita based on PPP and exchange rate, 2017

(Reais)



- LAC registered a level of expenditure on Gross Fixed Capital Formation per capita that was much lower than the world average, both measured in PPPs and according to nominal exchange rates
- By sub-region, this indicator measured in PPP was 42% lower than the world average for LA and 27% lower for the Caribbean. Based on nominal exchange rates, Latin America was 46% below the world average and the Caribbean was 17% below..
- 13 economies in the region exceed the world average, all in the Caribbean except for Panama

Source: ECLAC based on the ICP 2017 Cycle results for LAC.

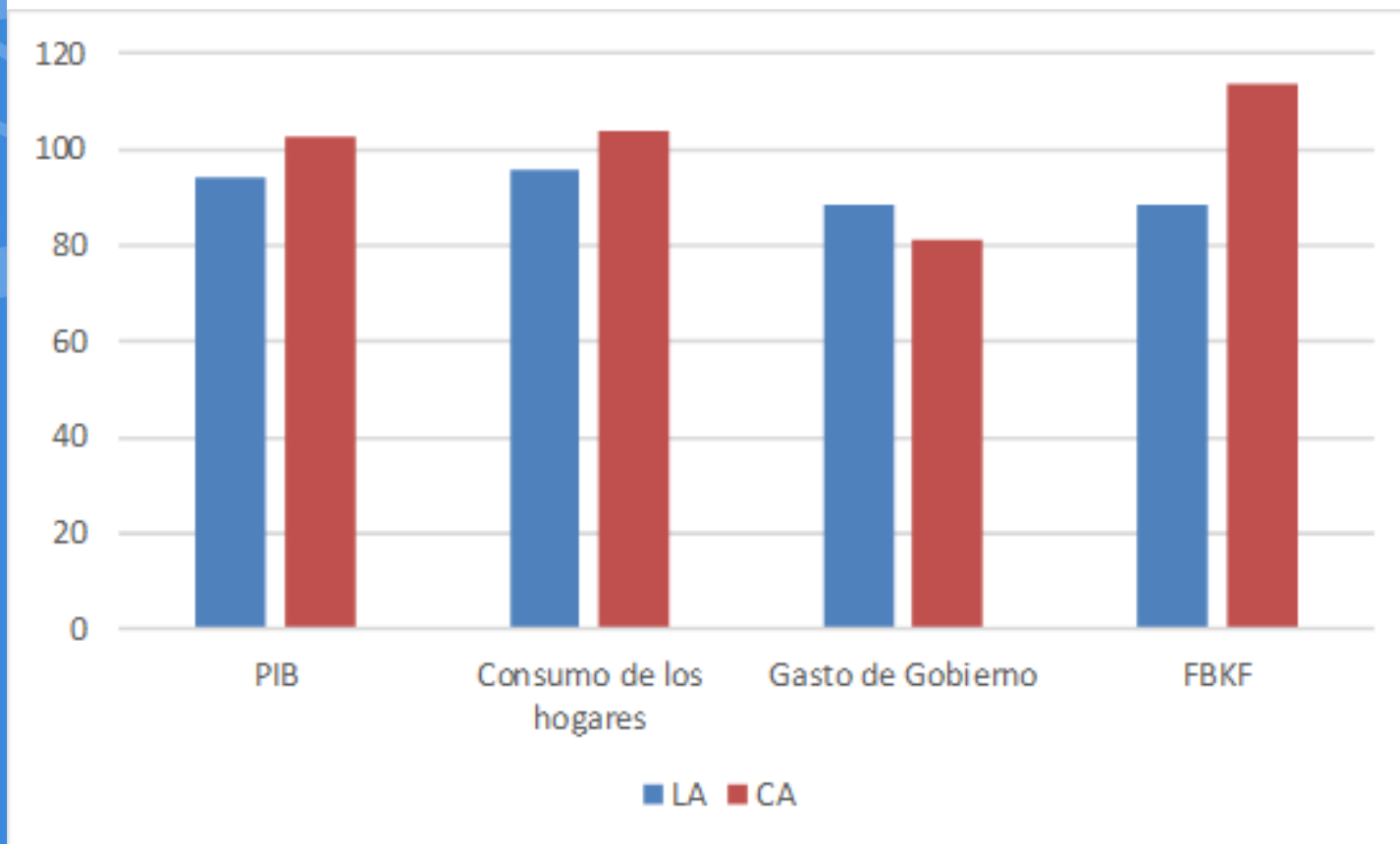


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# ECLAC: ICP 2017 Cycle regional and subregional results

## Latin America and the Caribbean: Price level Index by expenditure component in 2017 (world = 100)



- Latin America recorded price levels below the world average in all expenditure components
- The Caribbean, except for final government consumption expenditure, exceeded the PLI world average in all other components

Source: ECLAC based on the ICP 2017 Cycle results for LAC.



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## Next steps: ICP 2021 cycle

- Covid-19 impacts on planned ICP Cycle
  - Global consultation - 2021 new ICP benchmark
  - ECLAC communication to LAC countries
- 1st Meeting of the ICP Inter-Agency Coordination Group (IACG)-June 2020
  - ICP 2021 country participation
  - ICP 2021 operational materials (updates to fast evolving technology products HHC and Machinery & Equipment list)
  - ICP 2021 overall timeline



# Next steps: ICP 2021 cycle

## Overall timeline

ICP 2021 Cycle	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operational Materials			*													
Price surveys																
National accounts <sup>1</sup>																
Data submissions <sup>2</sup>																F
IACG meetings		01	02		03		04		05		06		07		08	
Publication <sup>3</sup>																

<sup>1</sup> rev2017, 2021, timeseries | <sup>2</sup> ICP 2021 cycle data and timeseries | <sup>3</sup> rev2017, 2021, 2018-2020 annual PPPs

\* Excluding Machinery and Equipment



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# Next steps: ICP 2021 cycle

## LAC Status

- Revision of ECLAC's planned activities for 2020.
- Contacting the participating LAC countries to inform about the new benchmark year.
- Establishing a new work plan (including data submission from LAC countries for 2019 and 2020).
- ECLAC has undertaken activities to support countries to face the challenges in their statistical work arising from the effects of the pandemic from COVID19.
- Informative meeting organized by ECLAC for LAC countries in August 2020 to establish the new work program.
- Operational Materials and technical meetings (Sep-Dec 2020).



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# Thanks for your attention!

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