

# Global International Comparison Program: Progress, the Importance of PPPs, and Future Prospects



**3<sup>rd</sup> CIS International Statistical Forum**  
**September 24 - 26, 2025**  
**Baku, Azerbaijan**

# Outline

- 1. International Comparison Program (ICP)**
- 2. Purchasing power parities (PPPs)**
- 3. Selected key findings and uses**
- 4. Future prospects**

# 1. International Comparison Program (ICP)

# ICP is a Worldwide Initiative to Produce PPPs...



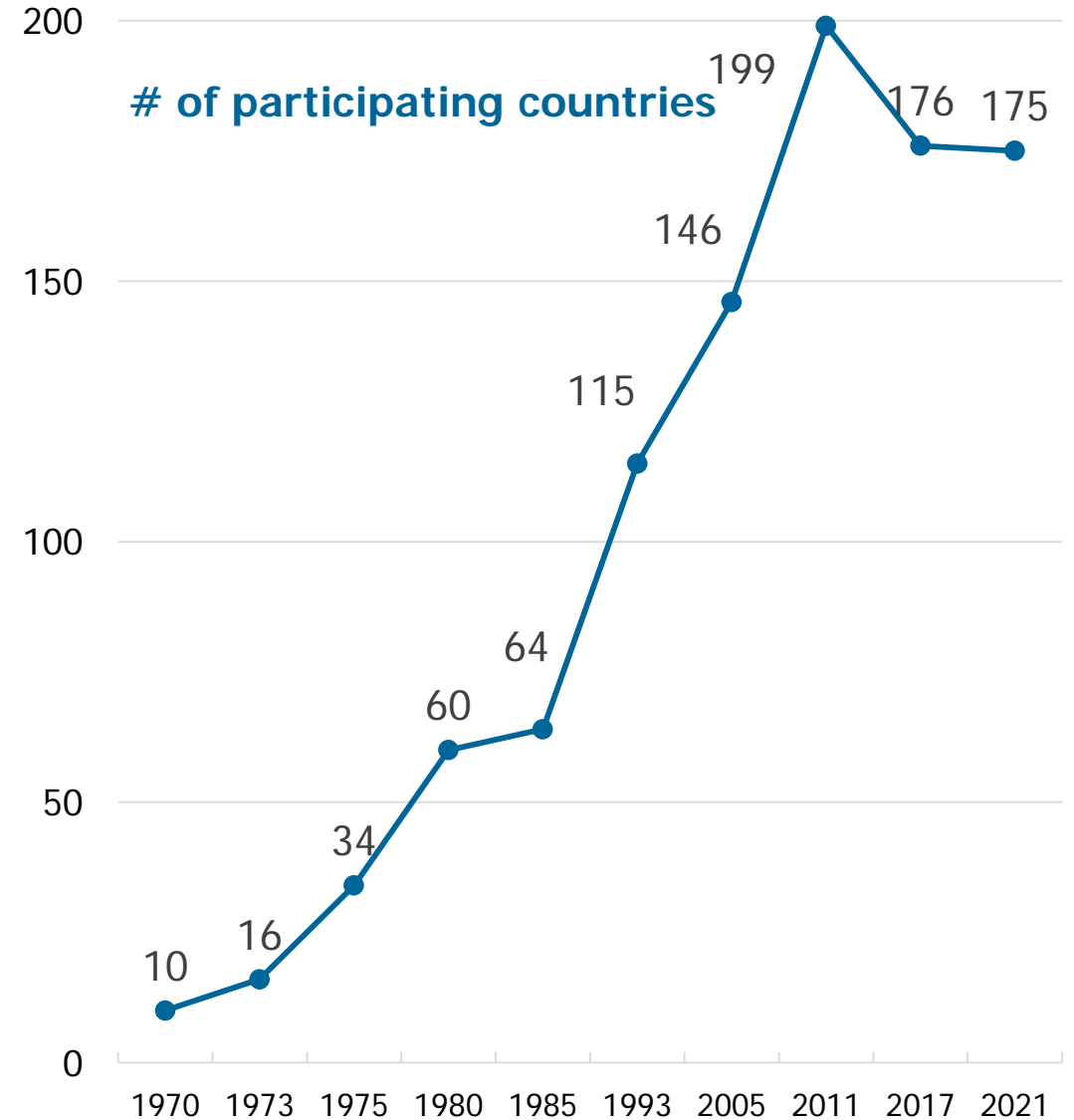
The **ICP** is a **worldwide statistical initiative** coordinated by the World Bank under the auspices of the United Nations Statistical Commission (UNSC)



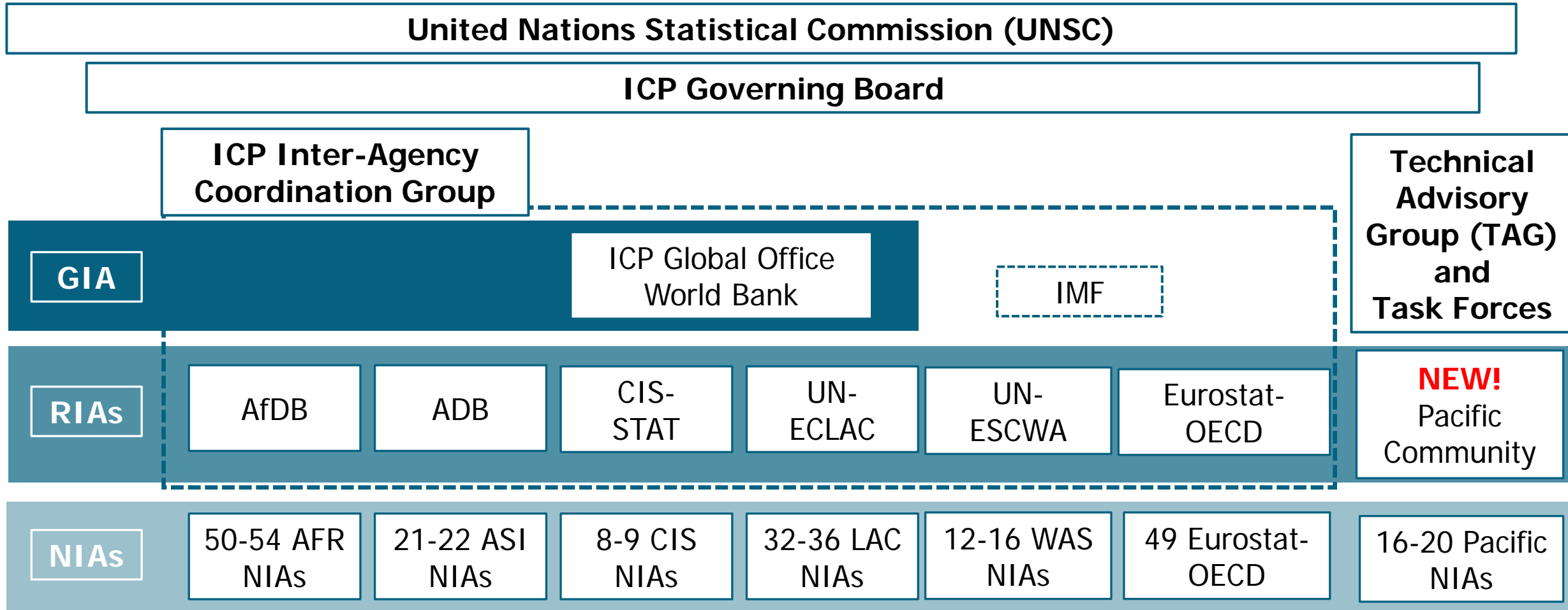
**Ten ICP comparisons** have been conducted to date: 1970 | 1973 | 1975 | 1980 | 1985 | 1993 | 2005 | 2011 | 2017 | 2021 | **2024 – 11<sup>th</sup> comparison (current)**



**More frequent ICP comparisons** have enabled the use of consistent methodology and stable operational activities



# ...Organized as a Global Partnership



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

# 1. Purchasing Power Parities (PPPs)

- PPPs are | **currency conversion factors** | and | **spatial price indexes** |
  - PPPs convert different currencies to a common currency
  - PPPs control for differences in price levels between economies
- **PPPs are needed**, because:
  - Price levels between economies can vary significantly
  - Market exchange rates (MERs) can fluctuate significantly (+parallel rates)
- Among other uses, PPPs are used convert countries' **GDP** at its expenditure components, like **Household Consumption**, into a common currency
- PPPs are also used as an indication of **countries' price levels**

# What Are Purchasing Power Parities (PPPs)?

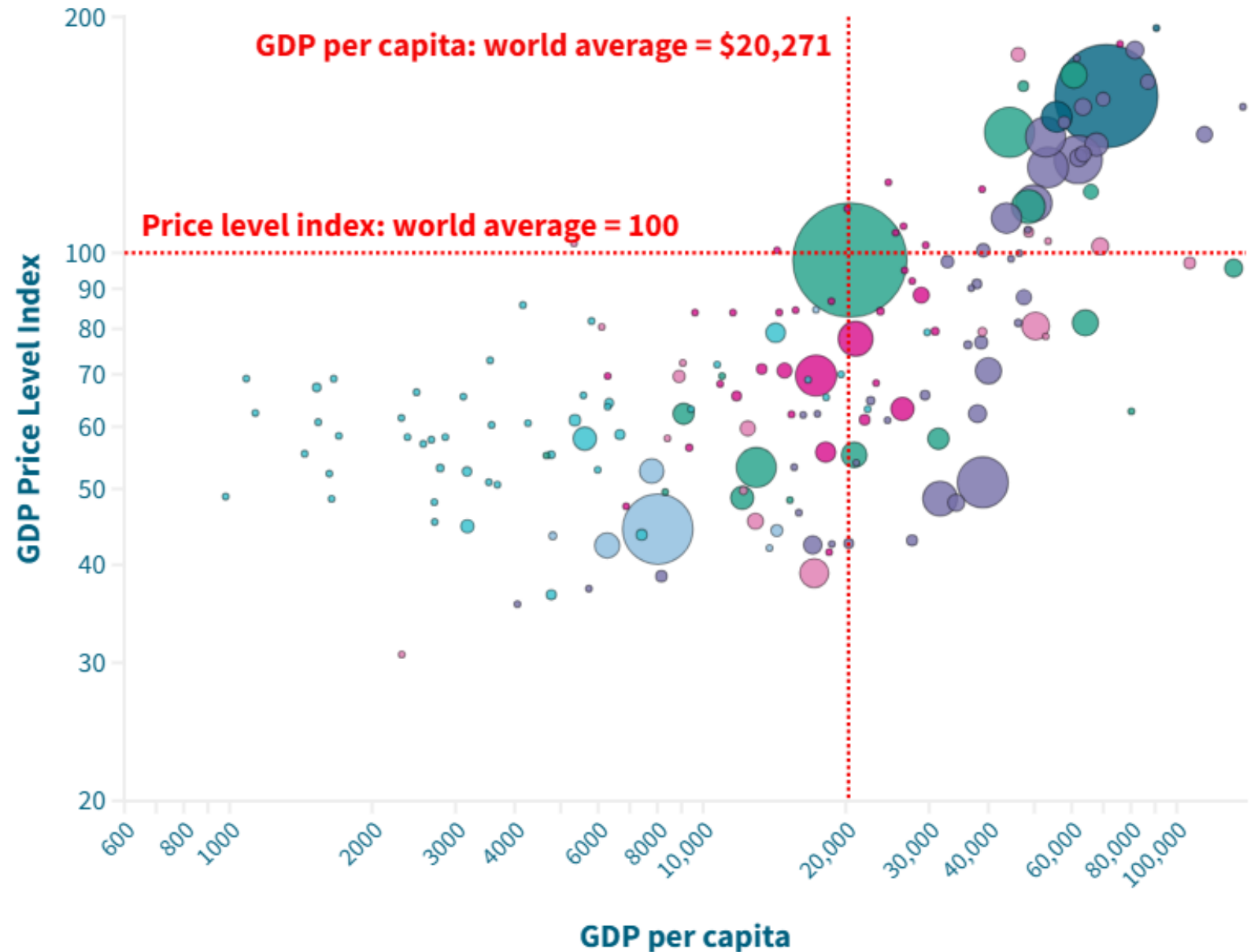


# Price Levels Vary Significantly Between Countries

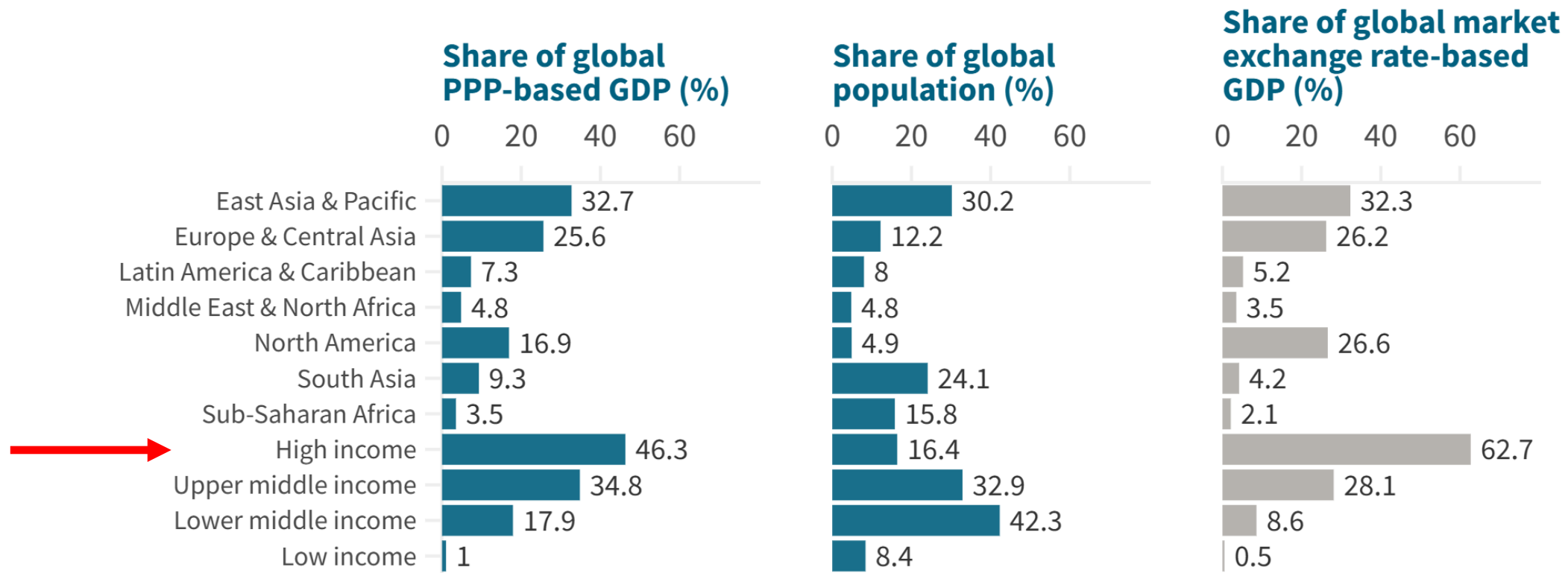
- **Theory (Balassa-Samuelson effect):** Higher income countries have higher price levels, while lower income countries have lower price levels (Figure: ICP 2021)



**Region** ● East Asia & Pacific ● Europe & Central Asia ● Latin America & Caribbean ● Middle East & North Africa  
● North America ● South Asia ● Sub-Saharan Africa







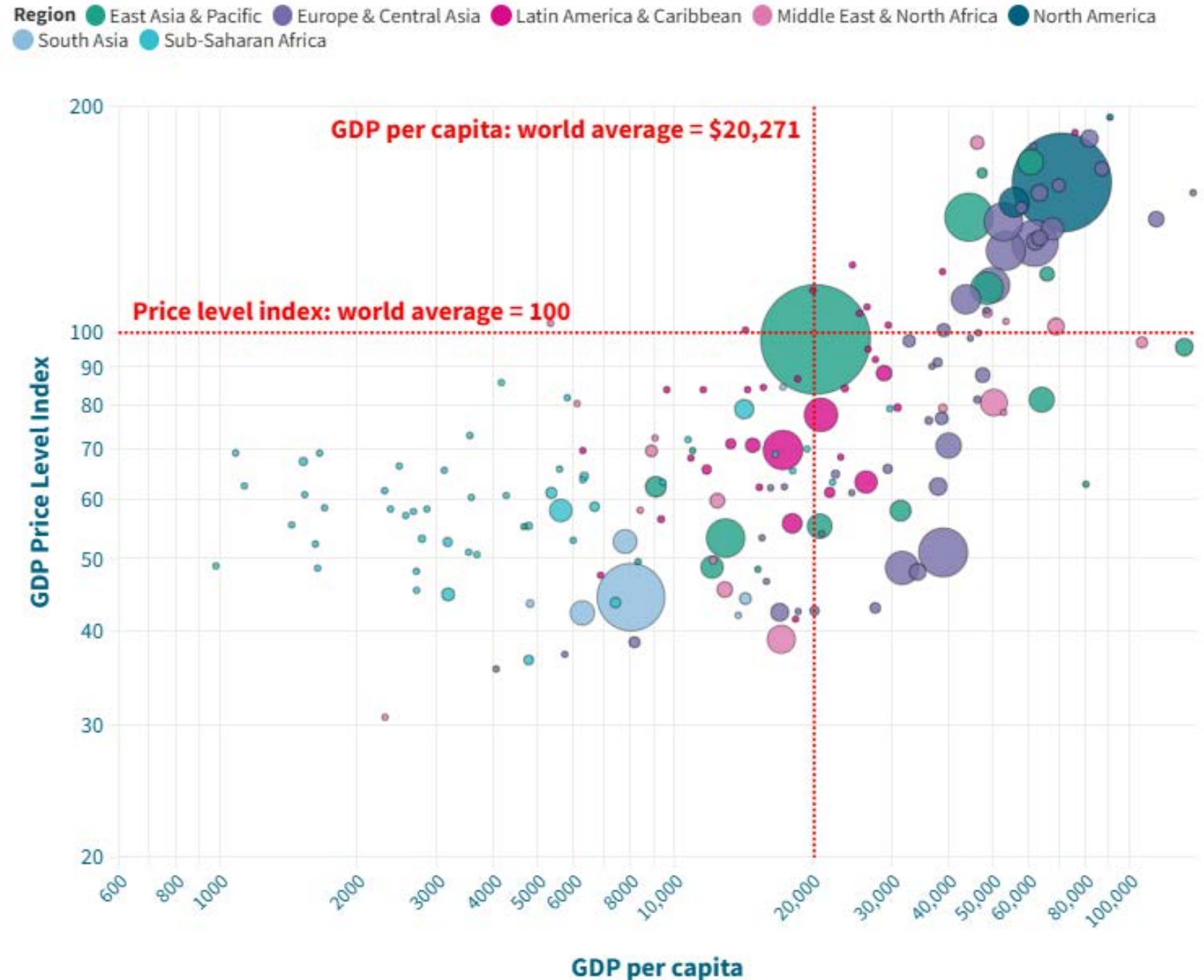
- PPP-based **cross-country comparisons of GDP** at its expenditure components **reflect only differences in economic outputs** (volumes), as PPPs control for price level differences between countries
- **PPPs avoid market exchange rates fluctuations** (E.g. Dollar-Euro | Russian Ruble-Euro/Dollar)

**PPPs Tell the “True” Story on Economic Output**

## 2. Selected Key Findings and Uses

# ICP 2021: Selected Key Findings

- In PPP terms, the **largest three economies** generated over **40%** of the global GDP
- **China** was the largest economy in 2021, accounting for 19%, followed by the **United States**, which contributed over 15%, and **India**, which contributed 7%



# ICP 2021: Selected Key Findings

- Among regions, East Asia and the Pacific had the highest share of global GDP, accounting for a third of global GDP in 2021

## East Asia and Pacific contribute a third of global output

Share of global GDP by region, 2021



# ICP 2021: Selected Key Findings

- In 2021, **middle-income** countries **increased** their **share** of global GDP to 53%, up from 51% in 2017

## High-income countries account for nearly half of global output despite small population share

Share of global GDP and population by income group, 2021

High income • Upper-middle income • Lower-middle income • Low income

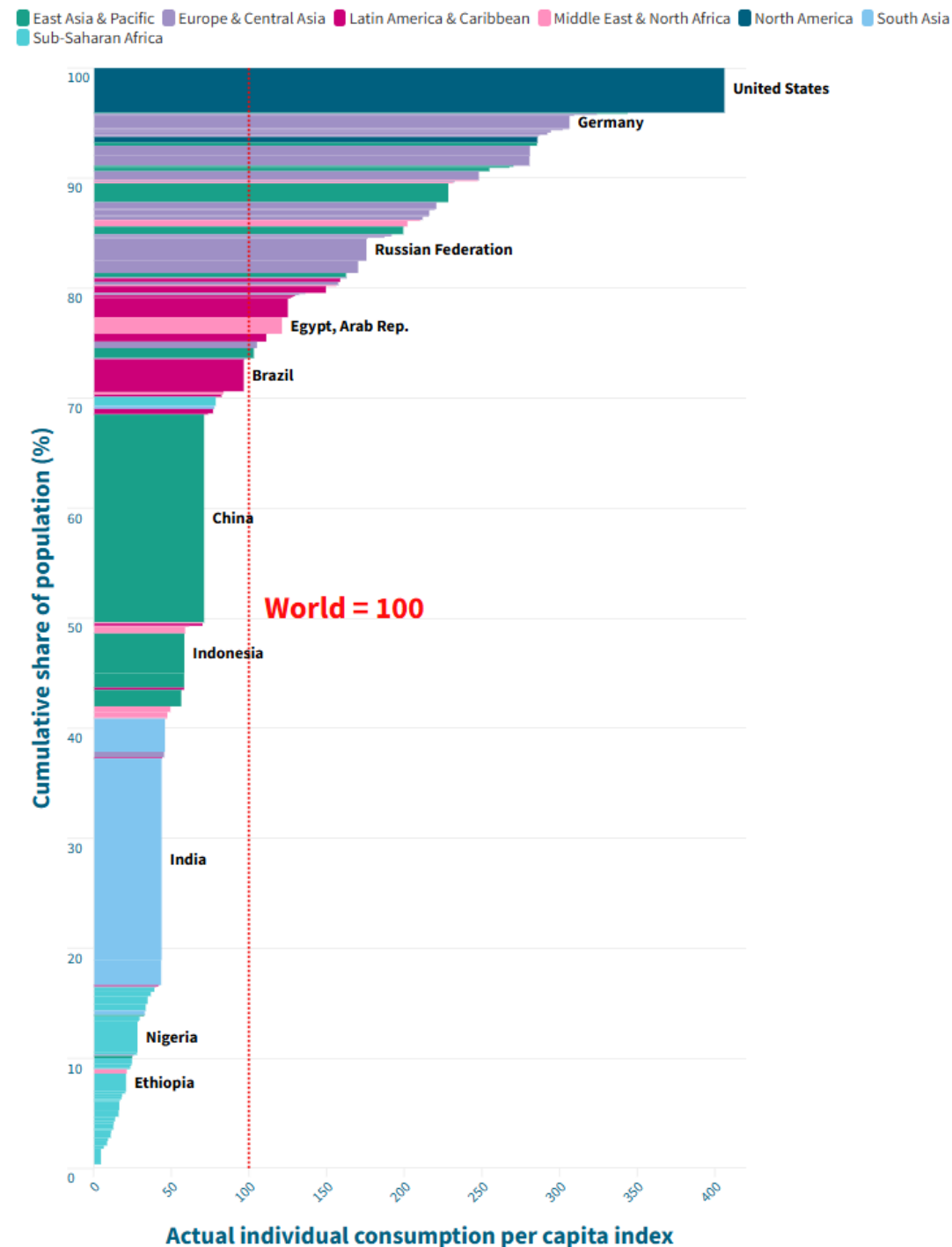
[Click on chart to view income group data](#)





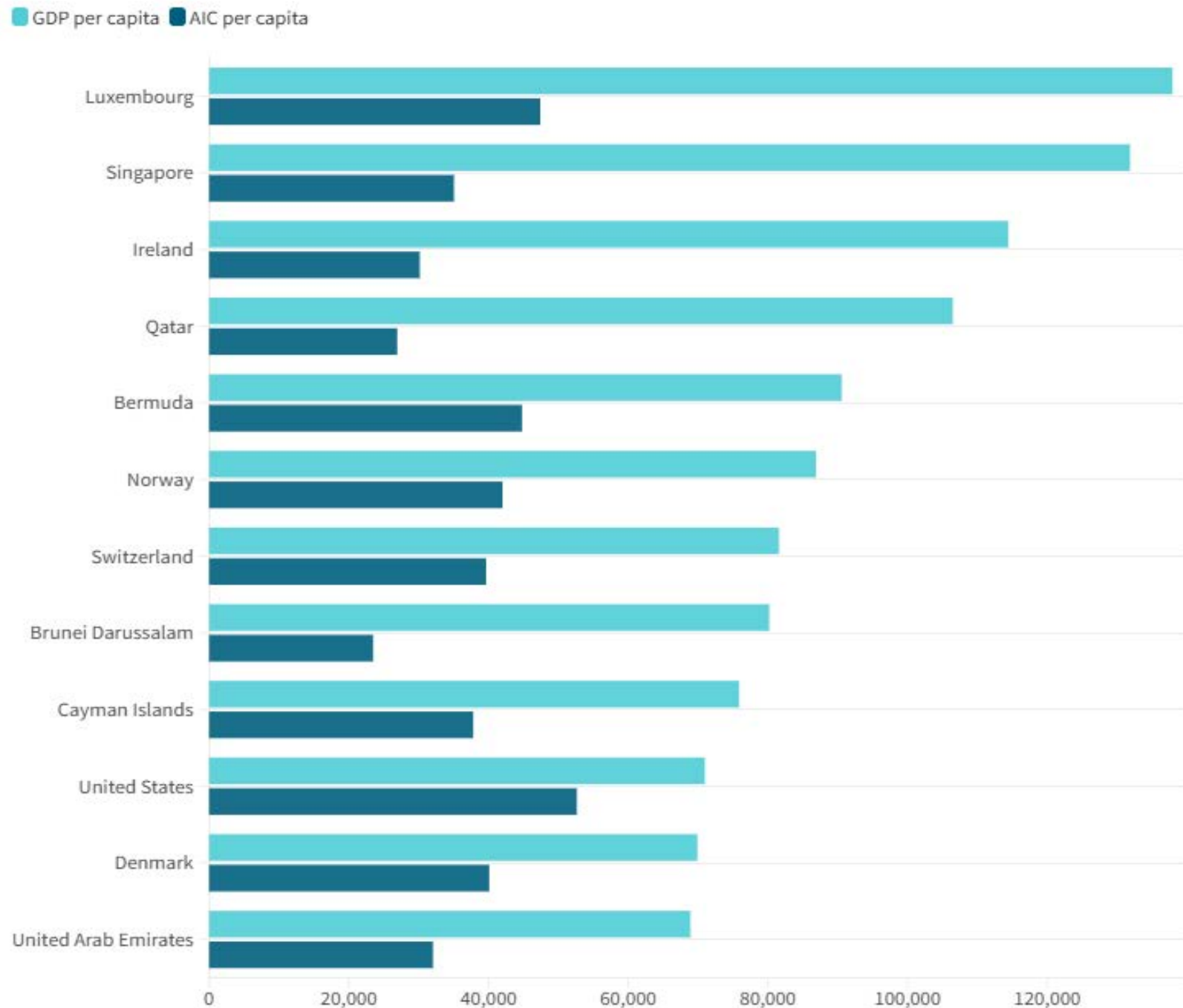
# ICP 2021: Selected Key Findings

- In 2021, three in four people in the world lived in countries where the average material well-being of the population was below the global average.
- Levels of material well-being vary significantly across the world.
- *Figure: Actual individual consumption per capita index and share of global population, by economy, 2021*



# ICP 2021: Selected Key Findings

- In some of the world's wealthiest countries, AIC per capita can be just a third or even less of GDP per capita
- *Figure: PPP-based GDP per capita and actual individual consumption (AIC) per capita for the 12 economies with the highest PPP-based GDP per capita, 2021*



# World Bank Poverty

- The World Bank's Poverty and Inequality Platform (PIP) integrated the 2021 PPPs and other updates into its global poverty assessments **in June 2025**, leading to a revision of the international poverty line from \$2.15 per day to \$3.00 per day.
- Other poverty uses include "Prosperity Gap", "Societal Poverty Lines" and the "bottom Censoring Threshold" indicator.
- [Blog 1](#) | [Blog 2](#) | [Blog 3](#) | [Paper](#)





# International Monetary Fund

- The IMF released the latest version of the World Economic Outlook (WEO) report and database, incorporating ICP 2021 results as the basis of their PPP based indicators, in **October 2024**.
- The World Bank closely supported the adoption of the 2021 PPPs in the WEO.

INTERNATIONAL MONETARY FUND

# WORLD ECONOMIC OUTLOOK

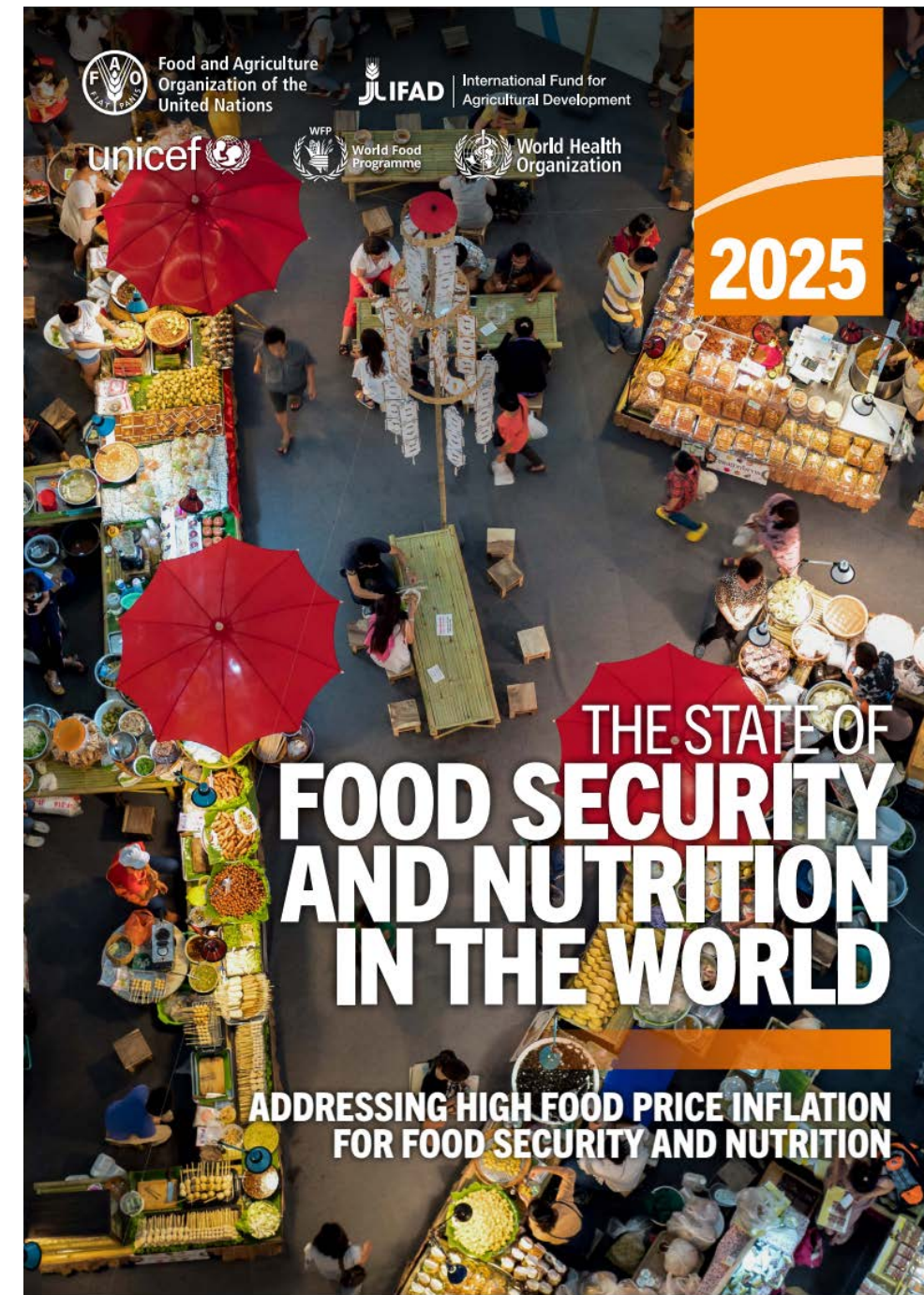
Policy Pivot, Rising Threats

2024  
OCT



# The State of Food Security and Nutrition in the World (SOFI)

- The multi-agency report **"The State of Food Security and Nutrition in the World 2025"** published in July 2025, uses ICP 2021 and World Bank Poverty and Inequality Platform (PIP) data for its **Cost and Affordability of a Healthy Diet (CoAHD)** indicators to report on food security and the number of people for whom nutritious diets are inaccessible.





# PPP Uses and Data Applications are Growing



Country group aggregates and growth rates in the IMF World Economic Outlook (WEO), Shareholding and Drawing Rights



World and G20 output and growth rates in OECD Economic Outlook



Allocation of the European Union structural and cohesion funds



World Bank Shareholding and Drawing Rights, Global Poverty estimates, Corporate Scorecard Indicators, and several Flagship Reports

! A comprehensive list of PPP uses and data applications can be found on the [ICP website](#)

## 4. Future Prospects

# Responding to User Expectations

While the ICP has significantly evolved over the years, today's users increasingly expect more **frequent and up-to-date results**, making the move toward **annual PPP production** essential.

Achieving this vision will require **careful planning** and **innovation**, while ensuring that the process **does not place additional burden** on participating countries.





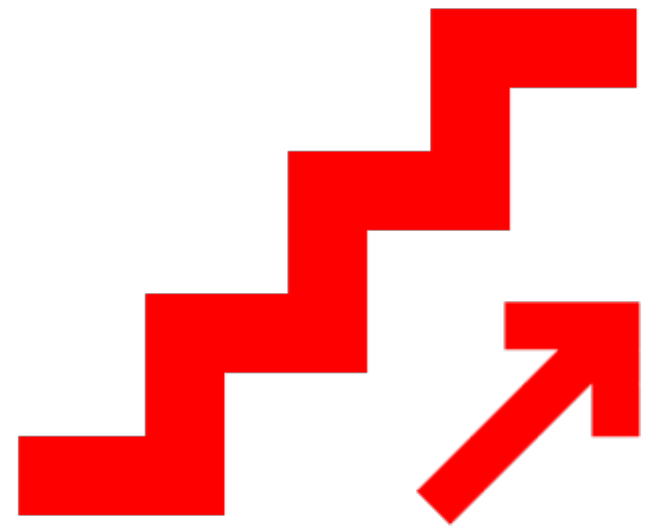
Maintaining and strengthening ICP strategic partnerships is **essential for the program's unique production model.**

At the same time, new partnerships are needed **to ensure sufficient resources** for this important work.

## Strategic Partnerships

# Capacity Building

Integrating capacity-building into ICP work is essential for ensuring **high-quality results** and for **strengthening the overall statistical ecosystem**.



# Research & Innovation



To meet the development goals of the future ICP, research and innovation are needed to:

- **Modernize the PPP production ecosystem**, including the introduction of digitized data collection methods (e.g. World Bank [Survey Solutions](#)) where relevant, and the use of cloud-based and [SDMX](#)-compliant production systems
- **Further align the ICP with other statistical programs**, including classification harmonization and strengthening data sourcing (e.g., CPI-ICP integration)
- **Explore the use of new data sources**, such as scanner data and web scraping
- **Ensure that ICP PPP estimation methodologies remain up to date**

SDMX = Statistical Data and Metadata eXchange



To maximize the impact of the ICP, outreach and knowledge efforts should aim to:

- **Strengthen communication and visibility** of ICP results through user-friendly data platforms, publications, and events
- **Enhance capacity-building and knowledge-sharing activities**, including technical workshops, training, and guidance materials
- **Deepen engagement** with policymakers, academia, and development partners to broaden the use of PPPs in research and decision-making
- **Promote transparency and accessibility** of ICP methods and results to foster trust and wider adoption

## Outreach & Knowledge



**Thank you!**

