

RESULTS OF THE INTERNATIONAL COMPARISON PROGRAM (ICP) 2011 FOR LATIN AMERICA AND THE CARIBBEAN

Preface

The International Comparison Programme (ICP) is a worldwide statistical project whose purpose is to collect comparative price data from a broad list or basket of products and to compile detailed values for spending-side gross domestic product (GDP) in order to calculate purchasing power parities (PPPs). Using PPPs, rather than market exchange rates, to convert macroeconomic aggregates aids comparison of production across economies and of the well-being of populations in real terms, insofar as they are compared on the basis of the purchasing power of each of the participant countries.

ICP is conducted under the auspices of the United Nations Statistical Commission and is coordinated by the International Comparison Programme Global Office located at the World Bank. Each region has a regional coordination office. For Latin America and the Caribbean, this function is carried out by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC).

ICP was established in 1968 as a joint venture of the United Nations Statistics Division (UNSD) and the International Comparisons Unit of the University of Pennsylvania. It was funded by contributions from the Ford Foundation and the World Bank. ICP began as a modest research project. GDP comparisons were made for 1970, 1973, 1975, 1980, 1985, 1993 and 2005, covering 10, 16, 34, 60, 64, 117 and 146 countries, respectively. In 1975 ICP ceased to be a research project and was classified as a regular programme of the United Nations Statistics Division. Its operations were also regionalized.

Regional GDP comparisons were made worldwide for the first time in 1993, but there was no comparison at the global level. The World Bank has coordinated ICP at the global level since 1993 and global comparisons were achieved for the first time in the 2005 round. Although some Latin American countries had participated in prior rounds, the 2005 round was the first to include 10 countries from South America. The 2011 round incorporated Central American countries and, for the first time in ICP history, 22 Caribbean countries.

The Latin American countries participating in the 2011 round of ICP are: Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. Chile and Mexico participated in the 2011 round as members of the Organization for Economic Cooperation and Development (OECD).

The Caribbean countries participating in ICP are: Anguilla, Aruba, Antigua and Barbuda, Bahamas, Belize, Barbados, Bermuda, Bonaire, British Virgin Islands, Curaçao, Cayman Islands, Dominica, Grenada, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sint Marteen, Suriname, Trinidad and Tobago, and Turks and Caicos Islands.

The 2011 ICP round was launched globally in 2010, using 2011 as the reference year. A global list was designed for GDP expenditures (consumption by households, gross capital formation, and so forth), classified by the “Classification of expenditures by purpose.” The specifications of special surveys such as education, rentals, machinery and equipment, construction and government were designed at the global level by the World Bank.

ECLAC was involved in the design of the product baskets and conveyed comments on the descriptions to the Global Office at the World Bank. A regional basket was also prepared for use in compiling prices in Latin America and the Caribbean.

The 2011 round was launched for Latin America in January 2010, in Panama, and for the Caribbean in November 2010, in the Bahamas. The two subregions were treated separately because studies and training had to be performed in the Caribbean countries prior to formally launching the programme.

This publication contains information on the methodology used to collect, process and validate the data for all surveys, validate the data in the national accounts, calculate PPPs at the basic heading level, and calculate real per capita GDP, as well as the results for each subregion.