



Asian Comparison: SNA-ICP consistency

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Starting in 2005, the International Comparison Program (ICP) moved on to use new methodology and new organizational structure which was further modified for ICP 2011. However, consistency between changes in National Accounts and ICP results for these two benchmarks was not strong, both regionally and globally. Due to the way ICP is organized, and in particular, its fixity principle which ensures that regional relativities are upheld within the global comparison, most of these inconsistencies originate at the regional level and get transferred to the global level from the respective regional comparisons.

This paper analyses the intra-regional SNA-ICP consistency in Asia, trying to decompose the inconsistencies into individual GDP components, terms-of-trade effects and the effects due to different national index numbers used in SNA growth calculations. Another source of inconsistencies is the fact that in ICP, index numbers used are multilateral, with international weights. To further refine the investigation, for the countries for which detailed data are available, one extra step is to be performed: the PPPs are to be rerun involving only those countries. This would eliminate unknown effects from the countries outside the scope of our analyses. Accounting for these effects will also help our understanding of consistency between national deflators and PPPs, as well as improve PPP extrapolations between benchmarks.

Keywords: ICP; purchasing power parity; national accounts; extrapolation.