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**Report on the implementation of ICP in  
the ESCWA region**

1. The International Comparison Programme (ICP) began in 1968 as a project of the United Nations. It covered more than 100 countries which participated in at least one of its six consecutive phases over the last three decades. Each phase was defined by the reference year for which price surveys and national accounts data were collected and internationally compared. The reference year for the last phase was 1993. Its results were published in 1995 and 1996 for the regional comparisons made in Europe, Africa, and Asia and the Pacific.
2. The ESCWA member countries joined the ICP for the first time in 1995, following an agreement made between the World Bank and the ESCWA secretariat to launch the ICP in the ESCWA region and to implement it in close cooperation with the central statistical organizations of the region. At the beginning, nine of ESCWA's 13 member States consented to full participation in the ICP. These were Bahrain, Egypt, Jordan, Lebanon, Oman, Palestine, Qatar, the Syrian Arab Republic and Yemen. The results of the ICP comparisons were presented and discussed at a seminar held in October 1996 in Amman, which was attended by a large number of statisticians and economists from Arab institutions and governmental departments. The final report, entitled Purchasing Power Parities, Volume and Price Level Comparisons for the Middle East, 1993, was published by ESCWA and distributed widely to users in governmental departments, universities, research centers and Arab organizations.
3. In 1996, two additional ESCWA member countries, Saudi Arabia and the United Arab Emirates, carried out their price surveys and joined the ICP, enabling ESCWA to execute another series of calculations covering the data on 11 out of the 13 ESCWA member countries. The results of the new run, containing the regional comparison for the 11 countries were obtained at the end of 1998. The final report will be presented to this Session in order to seek approval of the member States for its publication and distribution. It should be mentioned, here, that the calculations and the economic analysis of the report were prepared on the basis of the reference year 1995 instead of 1993, as was the case in the previous report mentioned above, where the price data were deflated from the year of collection 1995 to the base year of the study 1993. Hence, it could be concluded that the accuracy of data is greater in the present report since it does not involve any deflation error.

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4. Finally, the joint ESCWA - World Bank project should be considered as a first step towards involving the countries of the region in the execution of the ICP in order to keep pace with other participating countries worldwide. The results of this phase should be interpreted with caution due to several limitations of the "reduced information approach" which was used in the ESCWA's comparison project. This approach consists mainly of selecting a small sample of price items, which results in a higher standard error than the one involved in the full scale method used in the past phases of the ICP.

5. It is hoped that the World Bank would sponsor the next phase of the regional ICP, in co-operation with ESCWA secretariat and the national statistical organizations. The next phase of ESCWA ICP would eventually take place simultaneously with the 1999 phase of the global ICP and would benefit of the considerable experience gained by ESCWA and the participating countries from the previous round of ICP.