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on the European Comparison Programme**

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European Comparison Programme in 1999-2000

Linking results of different country groups

Paper submitted by OECD

Participating countries and production of results

1. The Annex 1 shows that the European Comparison Programme covered 52 countries in 1996. Of these countries only Albania is not included in either the 1999 or the 2000 comparison. On the other hand, there are three newcomers to the Programme, Cyprus, Malta and China. This means that:

- 44 countries participate in the 1999 comparison.
- 43 countries participate in the 2000 comparison.

2. It is important for the users to have results for all countries for the same year, either 1999 or 2000, and preferably for both years.

Results for 1999

3. Results for all countries can be combined in mid 2001 when results for the various country groups participating in the 1999 comparison become available. Countries of which PPPs and volumes could be integrated with the results are Albania and the CIS group.

4. For Albania the simplest option is to update PPPs for 1996 at the GDP level by using the implicit price index of GDP, that is using the method that is normally used in the updating after the benchmark year.

5. For the CIS group the main options are:

- Deriving results by updating the 1996 results at the GDP level
- Deriving results from 1996 at a detailed level of GDP by using price indices (or implicit price indices of GDP)
- Countries provide detailed GDP expenditure data for 1999 and price data collected for the 2000 comparison are backdated to 1999 when possible.

6. The last option might be the best. The advantage is that the results can be expected to be more consistent with the results of the 2000 comparison when they become available. However, it could be considered to update also the 1996 results for analytical purposes. The workload is not substantial and it would provide a valuable tool for checking results.

Results for 2000

7. Updating results for all countries for 2000 is straightforward. For countries not participating in the benchmark comparison results are updated at the GDP level by using implicit price indices of GDP.

Linking

8. It is important that only one set of ECP results will be finally released. Therefore, the results for regional comparisons should be taken as the starting point when combining various groups. In other words, the groups of countries should be linked in such a way that results within the groups remain unchanged. The steps to be taken **in the 1999 comparison** could be as follows (see Annex 2):

- 1) Results are calculated for the EU 15.
- 2) Results are calculated for the whole Eurostat group of 31 countries. Results for the 15 EU member countries are replaced by the internal comparison results (1) and results for the remaining 16 countries are adjusted accordingly.
- 3) Results are calculated for the OECD 30. Results for the 23 European OECD member countries are replaced by the European group results (2) and results for the remaining 7 non-European member countries are adjusted accordingly.
- 4) Results are calculated for all OECD countries and European countries + Israel. Results for countries that are either OECD members or belong to the Eurostat group are replaced by the results obtained in the internal comparisons (2 and 3).
- 5) Results are calculated for all OECD countries, European countries (+ Israel) and the CIS group. Results for OECD members and European countries (+ Israel) are replaced by results obtained from (4) and results for countries in the CIS group are adjusted accordingly.
- 6) China is linked separately to the OECD 30.

9. It is assumed in the schema that detailed results for 1999 are produced also for the CIS group. In that case it could be considered to apply fixity within the group (possibly even applying fixity also inside the CIS group because of Mongolia). The group could be linked to other countries via the Russian Federation.

10. **In the 2000 comparison**, the field is simpler because benchmark results will be available only for the Eurostat group and the CIS group. Within the Eurostat group the calculation procedure is the same as in the 1999 comparison and as the last step the CIS group will be linked to Eurostat group by applying fixity.

11. Experience of the 1996 comparison showed that results are not very sensitive for the various ways of linking countries. However, it is useful to carry out again tests for verifying whether this is valid also in the 1999 and 2000 comparisons. The final decisions can be made after the tests.

ANNEX Countries participating in the European Comparison Programme in 1996-2000

	1996	1999	2000
Austria	x	x	x
Belgium	x	x	x
Denmark	x	x	x
Finland	x	x	x
France	x	x	x
Germany	x	x	x
Greece	x	x	x
Ireland	x	x	x
Italy	x	x	x
Luxembourg	x	x	x
Netherlands	x	x	x
Portugal	x	x	x
Spain	x	x	x
Sweden	x	x	x
United Kingdom	x	x	x
Eurostat group			
Czech Republic	x	x	x
Hungary	x	x	x
Iceland	x	x	x
Norway	x	x	x
Poland	x	x	x
Slovakia	x	x	x
Switzerland	x	x	x
Turkey	x	x	x
Bulgaria	x	x	x
Cyprus		x	x
Estonia	x	x	x
Latvia	x	x	x
Lithuania	x	x	x
Malta		x	x
Romania	x	x	x
Slovenia	x	x	x
Other European countries			
o Albania	x		
o Croatia	x	x	
o FYROM	x	x	
o Ukraine	x	x	
o Russian Federation	x	x	
CIS group			
Russian Federation	x		x
Armenia	x		x
Azerbaijan	x		x
Belarus	x		x
Georgia	x		x
Kazakhstan	x		x
Kyrgyzstan	x		x
Republic of Moldova	x		x
Tajikistan	x		x
Turkmenistan	x		x
Uzbekistan	x		x
Mongolia	x		x
Non-European countries			
o Australia	x	x	
o Canada	x	x	
o Japan	x	x	
o Korea		x	
o Mexico	x	x	
o New Zealand	x	x	
o United States	x	x	
o China			x
o Israel	x		x
Total	52	44	43

o = countries coordinated by the OECD in 1999

Linking the countries in the 1999 comparison

	EU 15	Other OECD/Europe	Non-OECD CCs	OECD/non-Europe	Other Europe+Israel	CIS group	China
EU 15	EU 15						
Eurostat group 31	EU 15	Other OECD/Europe	Non-OECD CCs				
OECD 30	EU 15	Other OECD/Europe		OECD/non-Europe			
Europe+OECD	EU 15	Other OECD/Europe	Non-OECD CCs	OECD/non-Europe	Other Europe+Israel		
Europe+OECD+CIS group	EU 15	Other OECD/Europe	Non-OECD CCs	OECD/non-Europe	Other Europe+Israel	CIS group	
OECD 30+China	EU 15	Other OECD/Europe		OECD/non-Europe			China

Explanations: The calculations start from the top and continue stage by stage down. Each calculation is based on the free EKS method but results for the shadowed areas are then replaced by the results in the previous stage and results for the non-shadowed areas are adjusted.

Note: In this framework, results for the non-European OECD countries and for the EU candidate countries that are not OECD members are based on different procedures and are not strictly comparable. Also China has been linked directly to the OECD and its results are therefore not fully comparable with the non-OECD countries.