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**September 1995 ECE CONSULTATION ON THE EUROPEAN COMPARISON PROGRAMME
WITHIN GROUP II**

Note prepared by the secretariat

1. An ECE-Consultation between countries and international organisations involved in the European Comparison Programme (ECP) for 1993 was held in Vienna (Austria) from 25-28 September 1995 hosted by the Austrian Central Statistical Office (ACSO). It was attended by participants from Albania, Austria, Belarus, Bulgaria, Croatia, Czech Republic, Estonia, Finland, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Russian Federation, Slovak Republic, Slovenia, The former Yugoslav Republic of Macedonia, Turkey and Ukraine. The Statistical Office of the European Community (EUROSTAT), the Organisation for Economic Co-operation and Development (OECD), the Interstate Statistical Committee of the Commonwealth of Independent States (SCCIS), the World Bank and the United Nations Statistical Division (UNSD) were also present. At the invitation of the Austrian Central Statistical Office the representatives of the People's Republic of China also participated in the Consultation.

2. Mr. Erich Bader, President of the Austrian Central Statistical Office welcomed the participants to the Consultation, pointed out the importance of the meeting in the finalization of the 1993 round of international

comparisons and wished success in the work.

3. Mr. Alfred Franz (Austria) was elected chairman.

4. The provisional agenda was adopted. The request of the delegate of Poland to discuss his proposal on the participation of his country in the next round at an early point in the agenda, and the inclusion of oral information on the status of the global ICP by the representative of the UNSD during the Consultation were accepted.

5. The following substantive topics were discussed at the Consultation on the basis of papers prepared by: Austria (six), Bulgaria, Finland, Russian Federation, Eurostat (two), OECD (four), World Bank, and ECE:

I. ECP 93: presentation of results, discussion of problems, lessons to learn

- (a) Central and East European comparison
- (b) Baltic comparison
- (c) Transcaucasian and Central Asian comparison
- (d) Discussion of construction comparison

II. Reports on Group I comparisons

- (a) Group I comparison
- (b) Experience of Poland within Group I

III. ECP results for 1993

- (a) Presentation of ECP results for 1993
- (b) Publication of ECP results for 1993
- (c) Annual updating of ECP comparisons

IV. Future rounds of the ECP

- (a) Participation and grouping of countries in transition in the next round of ECP comparison
- (b) Future work in Group II under coordination by Austria
- (c) Future work in global comparisons

Recommendations for future work are given below. Other conclusions which the participants reached at the Consultation on each of the above topics are reproduced (in English only) in the Annex of this note.

IV. Future rounds of the ECP

- (a) Participation and grouping of countries in transition in the next round of ECP comparison**

6. The Consultation was informed that in the replies to the inquiry of the ACSO all former and possible future participants of the Group II comparisons declared their willingness to take part in the forthcoming round of the ECP and to co-operate with ACSO. All but one respondent favoured 1996 as the next benchmark year.

7. The Consultation requested participants to give their opinions on the participation of the individual countries in one or more of the three groups of the 1996 ECP as proposed by the intersecretariat meeting in July 1995. This allocation of countries among the three groups was based on very pragmatic considerations: (i) the expected accession of some Group II countries to membership of the OECD by the time of the next round; (ii) the optimal sharing of work load between the four organisations conducting the comparisons in the next round given the human and financial resources available to them.

8. The representative of Poland expressed the view that his country would like to participate in the next round of the European Comparison Programme within Group I, because of the impending accession to OECD and because of the continual change in economic conditions in Poland. He would also like to continue participation in the Group II comparison in order to maintain and build on the excellent working relationship with Austria. However, the available resources would not allow them to participate fully in two comparisons. The representatives of Hungary, the Czech Republic and the Slovak Republic said it was likely they would adopt the Polish position, both as regards joining Group I and the regrets at leaving Group II. Eurostat and the OECD strongly encouraged the four countries to join Group I.

9. The representative of the Russian Federation expressed his strong appreciation of the possibility of participating in each of the three groups in order to create firm links between the sub-groups of the ECP. He emphasised in particular his country's interest in participating in the Group I comparison on an experimental basis. However he pointed out that a final decision can be made only after a thorough assessment of the additional work load originating from a triple participation and after receiving information on the expected external assistance.

10. Slovenia and Romania also stated the grounds for their request to also be included in Group I rather than Group II. This possibility will be discussed further by the co-ordinating organisations.

11. Bulgaria, Croatia, Estonia, Latvia and Lithuania confirmed their continuing participation in Group II. Albania and The former Yugoslav Republic of Macedonia indicated their eagerness to join Group II in the 1996 comparison.

12. The representatives of Belarus, Ukraine and Moldova said they had already expressed their desire to participate in the Group II comparison in response to the request from Austria. In the light of the discussion and results for the CIS comparisons, they would report back on their final decisions on the choice of Group(s) shortly.

13. Given that the work for the 1996 round had in fact started in some respects, it was noted that the exact participation of each country should be settled with the minimum delay possible, and those countries where a final decision has not yet been made were asked to notify the organisers of these decisions as soon as possible, and hopefully by the middle of October.

14. Austria expressed its readiness to assist Group I comparison in respect

of countries which participated in Group II in the 1993 and will participate in Group I in the 1996 round by pricing additional items needed for estimating more reliable PPPs for the newcomer countries. Austria will continue to be the key coordinator for the Group II comparison.

15. Finland offered its assistance to ACSO for the three Baltic countries, mainly as concerns collections for consumer items. Austria welcomed this offer with great appreciation.

16. OECD stated that most of their resources would be devoted to the Group I (including in particular assisting the countries transferring from Group II) and Group III comparisons, which covers the Transcaucasian and Central Asian countries. They are willing to assist ACSO as necessary to adopt multilateral methodology and to participate in meetings and discussions for Group II, if invited to do so.

17. Eurostat is willing to support working groups for the Group II countries for purposes such as deciding product lists. They shared OECD's view that workshops of the type organised during the 1993 round are probably no longer necessary and neither organisation is willing to fund these in future.

(b) Future work in Group II under coordination by Austria

18. Under this item various interrelated documents on future work in Group II were discussed. Participants acknowledged the excellent preparatory work done by ACSO to establish the necessary preconditions for launching the next phase of Group II work as soon as possible. Included in the papers prepared for this meeting are the action plan, a cost estimate and the organisational framework reflecting previous consultations with all parties concerned.

19. Participants reviewed the implications of the switch-over to multilateralisation in Group II in the next round. It was emphasised that the multilateral approach would not be confined to multilateral aggregation methods only, but would also include a multilateral basic data collection procedure based on a common basket of goods and services for Group II countries.

20. Some participants expressed concern about the expected workload due to the shift to a multilateral approach. In general, it was felt that in the longer run multilateralisation would bring beneficial effects to Group II work by diminishing the need for extensive quality adjustments. It was explained that this approach would not necessarily put a greater burden on either the countries or the coordinator. Naturally, the organisation of work would be different than in the previous round and require adaptation to new circumstances. It was agreed that a multilateral approach would increase reliability of the results by giving greater representativity of the items selected and would provide efficiencies of work.

21. The ACSO presented a paper based on the classification and relationship of CPI statistics with ECP discussing the desirability and practicality of using available CPI information for pricing in the PPP exercise. It was felt

that a greater role of detailed CPI indices can be expected if participating countries embark on regular updating of benchmark comparison results in ECP.

22. The document describing the organisation, time schedule and resource implications for Group II work was introduced by the representatives of Austria and received positive and constructive comments from participants. The proposal contained in the document will need adjusting in the light of resource constraints and suggested changes in priorities. Participants felt that the time schedule was ambitious but realistic and it would be in line with the preliminary schedules set for Group I and Group III work so that results for all comparisons in these regions in respect of 1996 would become available no later than mid-1998. Austria will make efforts to distribute item lists as early as possible and stated that work on establishing a common basket has already been started.

23. The offers by Eurostat, OECD and Finland to assist in future Group II work is reported in paragraphs 15 to 17 above. The representative of the World Bank made a statement indicating strong support for the work but pointed out that financial support from his organisation of the same magnitude as in the past may not be available due to the commitments it has made to other parts of the world (mainly developing regions) in developing PPP activities. The UNSD will continue its efforts to ensure the incorporation of work in this region into the global ICP on the basis of its cooperation with other international and regional organisations involved in coordination.

(c) Future work in global comparisons

24. Participants were briefed by the representative of the World Bank about the efforts of his organisation, in collaboration with other agencies, at the regional and international levels to extend the coverage of PPP work globally on a reduced information basis. The Consultation took note of the information given by the World Bank that this exercise would hopefully provide PPP data for a wider range of countries by 1996.

25. The Consultation noted the progress on the 1993 global ICP based on the intervention of the representative of the UNSD. The latest issue of the ICP information circular was distributed to participants. Participants would be kept informed by UNSD through their regional coordinators and future issues of the ICP newsletter about developments in the global ICP including relevant information on how their regional work would fit into ICP work carried out globally.

ANNEX

Other conclusions reached at the Consultation on the European Comparison Programme within Group II

Vienna, 25-28 September 1995

I. ECP 93: presentation of results, discussion of problems, lessons to learn

(a) Central and Eastern European Comparison

1. The representative of the ACSO presented the report on the Comparison between Austria and 12 countries participating in Group II (Belarus, Bulgaria, Czech Republic, Croatia, Hungary, Moldova, Poland, Russian Federation, Romania, Slovak Republic, Slovenia and Ukraine) with reference year 1993. The participants in the discussion expressed their appreciation of the comprehensiveness of the Austrian report on the summary of the work carried out, the major problems tackled, the reservations to be made and the lessons to be learnt in respect of the ECP 1993 comparison among these countries. The report gave a useful orientation to the users of the results of the current round and also provided important lessons for future comparisons. It was agreed that the major statements and conclusions of this summary should be reflected in the final report on the ECP 1993.

2. Considerable attention was devoted to the nature and credibility of the "quality adjustments" made in the bilateral comparison of the products selected as representative items. The participants shared the opinion that such adjustments might necessarily contain arbitrary and subjective elements. However, it was argued that they contributed significantly to the improvement of direct comparability with Austria. Similar concerns were also raised in respect of the productivity adjustments made in the sphere of most non-market services, including the use of pupil/teacher ratios as a quality adjustment. It was pointed out that the need for and the importance of such adjustments were likely to decrease as free market conditions become more pervasive in the participating countries. It was noted that sometimes considerable distortions may result because of the limited inclusion of the hidden economy in GDP estimates, as well as uncertainties due to the exclusion of the holding gains and losses from changes in inventories in GDP. The underestimation of consumption of fixed capital, which may affect the value of non-market services, was also mentioned. During the discussion of these problems three major conclusions were drawn: (i) the publication of the methods and results of the 1993 ECP should discuss in detail the nature and frequency of the various factors distorting the comparability of results; (ii) countries in Group II should be requested to indicate, even if only in a very approximate or qualitative way, the possible size of distortions in their GDP; and (iii) the final presentation of the results should include some sort of "sensitivity analysis" to illustrate the possible influence of the various distorting factors on the results obtained. It was agreed that a critical evaluation of the results, as well as the presentation of the possible magnitude of errors and a brief but accurate explanation of the

unavoidable shortcomings of the comparison was generally a more acceptable and preferable alternative than further revision of the numerical results now available.

3. The approach in the Group II comparison to quality adjustments deserves mention since it is unique among all comparisons. It was emphasised that these adjustments were relatively well documented, transparent and were carefully discussed between the experts of Austria and the partner countries. Because differences in the quality of many goods and services are likely to be present in the foreseeable future, several speakers expressed concern that these adjustments might be envisaged in the next round even if the comparisons were on a multilateral basis rather than on a star approach based on a series of bilateral comparisons with Austria. This issue is discussed further in the section dealing with future work.

4. Representatives of the Russian Federation and Bulgaria presented papers discussing their experience in their first participation in the international comparison of GDP and PPPs within ECP 1993. Some of the major problems faced and the methods used for solving them were pointed out in both of these summary reports that were well received by participants.

(b) Baltic Comparison

5. The representative of Finland introduced the report on the comparison for the Baltic states. This is a multilateral comparison between Estonia, Latvia, Lithuania and Austria coordinated and assisted by Finland. The consultation noted with appreciation that this was pioneering work, both because of the nature of the comparison and because it was the first time these countries were involved in the comparison.

6. Because the results have only just become available, there has not yet been a chance for the countries to meet with Finnish and Austrian experts to discuss the results and it is probable that some further adjustments will be needed before the results are finalised. This should happen by the first week of November 1995, and it was agreed that the press release of the ECP results would not be issued until the Baltic figures were finalised. A full description of the Baltic comparison will be part of the final ECP report.

(c) Comparison between CIS member states

7. Under this item, two papers were presented; the first by the representative of the Interstate Statistical Committee of the Commonwealth of Independent States (SCCIS) and the second by a representative of the OECD.

8. The SCCIS note reported on the progress achieved in work carried out by the SCCIS on the international comparison of GDP and PPPs for 1994 in cooperation with OECD. The important contribution of the Russian Goskomstat was also noted. The activity was endorsed by the Council of the Heads of the Statistical Services of the CIS countries. The objective is to provide continuing results quickly. The note submitted to the Consultation showed preliminary figures for the CIS comparison made in the field of final

consumption of households for the quarters of 1994. It is planned to extend the comparison for all components and the total of GDP as well in the near future. There is an intention to continue the work for 1995, 1996 and beyond. It was noted that on the whole the methodology used by the SCCIS is consistent with that of ECP. It was pointed out that the paper submitted for information could be of interest in the context of planning future work.

9. The note by the OECD described the progress to date of the comparison for the Transcaucasian and Central Asian (TCAC) countries. This work started after the comparisons for Central and Eastern Europe, but included a similar series of workshops for the participating countries. Two significant differences were introduced however. Because of the relative homogeneity of the eight original countries (Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan), it was decided to do the comparison on a multilateral rather than a bilateral basis. Secondly, because of the very high rates of inflation in these countries, prices were to be collected monthly for consumer goods and services and three or four times a year for other expenditure categories. The Consultation felt that the valuable experience gained by the TCAC group in this area might be a useful model for organisers of other regional comparisons facing similar problems.

10. The note also presented some of the preliminary results of this comparison covering the eight original countries plus Russia and Turkey. The results cover the months and quarters of 1994 and the early part of 1995. The results for 1995 also include Belarus. This work is organised by OECD in collaboration with the SCCIS and Goskomstat of the Russian Federation, with the involvement of the State Institute of Statistics of Turkey. The results so far are very preliminary and present unweighted parities. This is because the final weighting patterns are still awaited. The results show multilateral results with Turkey as the link to ECP and bilateral results relative to the Russian Federation. The Consultation noted that since 1994 was chosen as reference year for the TCAC exercise, the results would be linked to others in Group II only at the level of the GDP and, as a maximum, at the level of the six main aggregates. The meeting was also informed that at present the OECD annual averages are based on geometric means whereas those of the SCCIS use arithmetic means. This, rather than the provisional weights used by the SCCIS is the main cause of the differences in the results. Further discussions between OECD and SCCIS will take place with a view to adopting a common methodology.

11. The OECD expressed appreciation to the SCCIS and the Russian Federation for elaborating producer lists in Russian and arranging data transmission to Paris and to the State Institute of Statistics, Turkey, for hosting two workshops and providing other logistic support.

12. Concluding discussions on the TCAC comparison, participants were informed that a regional meeting was scheduled for November 20-24, 1995 in Ankara to discuss results and plans for continuation of the work. It is expected that final TCAC results will be available for incorporation in the full report of the 1993 ECP. It was noted, however, that final results will

not be available in time for inclusion in the press release.

(d) Discussion on Construction Comparison

13. The representative of the Austrian Research Institute for Housing, Construction and Planning presented a report on the investigation of the methodology used for the comparison of construction work between Austria and 11 East European countries. The document discussed the various approaches tried in order to exclude the effect of differences in quality on the price parities obtained in the pricing of the "bills of quantities", elaborated originally for use in Group I. Further, the purpose of this study was to discover other factors distorting the results. This experimental exercise was carried out on behalf of the ACSO and was based on the inspection of some actual construction work in a limited number of countries visited. The experience gained in the investigation showed that the present practice of estimating PPPs for seven construction projects may provide uncertain results for the following reasons: (i) the seven projects may not be characteristic in the given countries; (ii) the single expert employed for pricing the bills may give subjectively influenced values; (iii) the size of deductible VAT (the ability to deduct it and possible inconsistencies with national accounts valuation of construction investment) may be different between countries and projects. Therefore, he proposed that the quality adjustment made in the experiment should be adopted in the 1993 round of comparison and should be implemented generally in the next round. Further important ways of improving comparability may be the modification of the bills of quantities taken from Group I to local conditions in order to reflect the main characteristics of construction in the given countries and to employ experts for inspection of the quality of at least 10-15 ongoing projects.

14. During the discussion the representatives of countries in which such examinations were made expressed their appreciation of the methodological and practical advice of the consultant and expressed the view that the final estimates of PPPs can now be considered to be reliable. It was agreed that the difficulties in the compilation of reliable PPPs for construction are not confined to Group II countries only. There is a real need for introducing some new, possibly standardised methods and complementary approaches in all regions of the world. Among the possible directions of improvement recommended for future comparisons are: (i) an increase in the number of projects available to be priced; (ii) the adoption of a more flexible version of the composition of the bills; (iii) the quantification of the standard of the inspected constructions using a grading system; and (iv) the search for some intermediate solutions between the "bill of quantities" and "input" approach. On the other hand, it was pointed out that the extension of the methodology and items in this area (and even the pricing of the existing projects) increases the costs of the comparison and sufficient resources may not be available in many countries.

15. It was suggested that sensitivity analyses would be helpful not only in the area of construction, but in other areas such as quality adjustments, productivity adjustments and the treatment of non-market services. These would enable the relation between extra costs required and the size of

improvement expected to be judged. The OECD offered to assist in conducting such analyses.

II. Reports on Group I comparisons

(a) Group I comparison

16. The Consultation was informed that the Group I comparison for 1993 covering European countries had been completed within the framework of the Eurostat-OECD PPP programme which covers 24 OECD Member countries. Both Eurostat and OECD have published results of the larger comparison for 1993.

17. The note presented to the Consultation described the organisational arrangements of conducting this comparison and its main methodological features. It also contained summary results for 1993 with PPP and real GDP data for 19 European countries with Austria as the base country.

18. The representative of the OECD explained differences between multilateral and bilateral comparisons. This was received with interest, since there are plans to adopt this approach for the forthcoming round of the Group II work. It was noted that a pure multilateral comparison involves both pricing products from a common basket and using multilateral techniques for aggregation. It is also possible to have a "hybrid" comparison where product lists are bilateral but multilateral aggregation methods are used. There was general agreement that pure multilateral techniques should be possible in the next round for consumer goods and services. Doubts were expressed about whether it would be possible (as well as desirable) to draw up a genuine common product list for investment goods. There is misgiving that any such basket might in effect only be a series of bilateral lists with little overlapping between more than two countries. If this turns out to be the case, a "hybrid" approach might be necessary in this area. It was also made clear that although there are differences of methodology as between present Group I and Group II practices, especially as concerns quality and productivity adjustments, in principle such adjustments could still be made for Group II in future even if a pure multilateral or hybrid comparison is made. It will be for consideration whether the same type and magnitudes of adjustments will be needed (i) if common product lists are used, (ii) given the economic developments that will have taken place in Group II countries in the three years since 1993.

(b) Experience of Poland within Group I

19. The Consultation was informed by the representatives of Poland and Eurostat of the experience gained in the experimental participation of Poland in Group I, as well as in Group II. The main purposes of this exercise were to see how easy this was given the transformation of the Polish economy and to compare the bilateral comparison with Austria with the outcome of the multilateral comparison with Group I. Because Poland joined Group I after all classifications, product lists, etc. were already finalised, no Polish products were included in the common basket of commodities. This put Poland

at a disadvantage because the comparison focused to a great extent on international goods. In accordance with the Group I practice no quality adjustments were made. In the comparison of non-market services the "input" approach was used rather than the "quantity" approach used in Group II.

20. Both the representatives of Poland and Eurostat consider the experiment successful since despite these reservations, the results obtained in the two parallel comparisons are close to each other at the GDP level and for most of the categories. It revealed several important methodological lessons for future comparisons and proved that it is relatively easy for a country like Poland to switch over from a Group II to a Group I comparison.

21. In the discussion it was pointed out that large differences between the two sets of results can be observed mainly in items where considerable quality adjustment had to be made in the bilateral comparison with Austria and in non-market services and rents where different methodologies were used. This highlighted the fact that the methodology used in Group II concerning quality differences, productivity adjustments and the treatment of non-market services is a more important distinction from Group I than the multilateral versus bilateral approach.

III. ECP results for 1993

(a) Presentation of ECP results for 1993

22. The Consultation held a thorough discussion on the preliminary results of the European Comparison Programme for 1993 with a view to developing an agreement on the adoption and the form of presentation of the results. The representative of Eurostat introduced some preliminary results for Groups I and II combined and distributed two additional tables as supplements to the document on this item of the agenda.

23. Participants commended Eurostat on the high quality of the paper and expressed appreciation for the work done. Nevertheless, as the representative from Eurostat himself pointed out, the results contain some apparent anomalies, the causes of which need to be investigated. There was some discussion about how far these multilateral results could and should vary from multilateral results for Group I and bilateral results for Group II already published. One possibility to avoid changes would be to resort to the "fixity" principle adopted in previous reports. On the other hand, the economic situation of the countries in transition is now such that a multilateral comparison for all Group I (or all OECD Member countries) and Group II countries would have obvious advantages. It was therefore agreed that a new set of results would be calculated once the anomalies had been investigated and the causes of any changes from previously published data would be explained. These results and explanations would be circulated for comment to all participating countries and organisations.

(b) Publication of ECP results for 1993

24. The representative of the UN/ECE presented the draft outline of the

report on the organisation, methodology and numerical results of the comparison of PPPs and real GDP covering all countries participating in the 1993 ECP. As agreed at the preparatory meeting of the interested international organisations held in Vienna in July 1995, the results should be published first in a joint press release. This was originally intended for the end of October 1995, but discussion earlier in the meeting suggested a delay until mid-November to allow the Baltic comparison to be finalised and included. Press releases will be organised separately but in a co-ordinated way by the four agencies concerned at their respective headquarters on an agreed date, and would be based on the same jointly accepted short information summarising the main results. The comprehensive publication should be issued by the end of March 1996 under the names of the four organisations of the ECP joint venture (ASCO, ECE, Eurostat, OECD). The outline indicates that, in line with the proposals accepted earlier during the present Consultation, the report will explain in a separate section the quality and limitations of the result of the comparison.

25. During the discussion the following proposals were made and agreed by the Consultation:

(i) In the report, appreciation of the considerable contribution of the World Bank to the Group II comparison should be mentioned.

(ii) The country coverage of the report should be extended to all countries which participated in the 1993 round in any of the exercises conducted by the four organisations, i.e. it should include the results for the non-European OECD members (USA, Canada, Australia, Japan, New Zealand). The Consultation strongly believed that this would serve the needs of users of PPP and real GDP data better.

(iii) The results for the European Union as a whole should also be presented (averages and totals of all the member countries).

(iv) There may be a need to reduce the series of detailed tables indicated in the outline. For example, Table 7 is not appropriate when EKS methods are used. Some participants thought that some tables proposed had limited information value. It was recommended that decision in this regard should be made in the final drafting of the report.

(v) It was proposed to include in the comprehensive report a separate section (after section 6 which presents the results of the 1993 ECP) providing analyses of these results in several respects, for example comparing the data of the last and previous rounds, and structural composition of GDP. In this respect it was pointed out that the comparison of the results of two benchmark years may be in conflict with the time series of national GDP. Therefore, it seems advisable to confine the publication to the present benchmark comparison result and the extrapolated data for years following the benchmark year as is the tradition of presenting results.

(vi) The exact basis on which results for all Group I and Group II countries will be presented will be determined after the further work and

discussions described in paragraph 23 above have been completed.

(vii) The comprehensive report will be drafted by a consultant of the UN/ECE. The first complete draft should be sent for comments and approval to the ACSO, Eurostat and OECD. The representatives of the UNSD and World Bank asked to be able to comment on the draft also.

(c) Annual updating of ECP comparisons

26. The representative of the OECD presented a note on the updating practice applied in the Eurostat-OECD comparison in order to provide information for the possible introduction of similar procedures in Group II countries. Two methods are used for annual updating of the benchmark results: the "rolling benchmark approach" used for the extrapolation in the Member States of the European Union and the "global extrapolation" used for the other participating countries in Group I. The use of different methods depends on the availability of detailed information on price changes in the interim periods between the benchmark years. For the EU Member countries, annually updated PPPs and real values are published for all the 53 analytical categories while for other countries only global GDP levels and PPPs are published. Information was given also on the consequences of the revisions made by the countries in their national accounts.

27. The participants of the Consultation agreed that annual updating should also be carried out in Group II and these results should be regularly published. The "global extrapolation" method can be used easily. The basic information required for extrapolation is already available in the various international organisations (ECE, OECD).

28. For the hidden economy, it was agreed that a questionnaire seeking qualitative information be sent to countries including the following questions:

(i) In your judgement what might be the approximate size of the hidden economy included in the officially published GDP?

(ii) What might be the approximate size of the hidden economy not included in the officially published GDP?

(iii) Do you consider that the extent of the hidden economy not covered in official measures of GDP has increased, decreased or remained about the same since 1993?

IV. Future rounds of the ECP

29. The Consultation's conclusions on future work are given in para. 6-25 of the body of this report.

V. Other Business

30. The representatives of The former Yugoslav Republic of Macedonia and

Albania made statements as newcomers to the forthcoming 1996 round of comparison work. Their intentions to participate had already been announced at the previous Vienna Consultation held in April 1994. The representative of The former Yugoslav Republic of Macedonia informed the participants about preparatory work in her country in regard of PPP work and about training received from ACSO staff visiting her office. She also indicated the difficulties expected in providing detailed GDP expenditures for the 1996 comparison due to the initial character of work in this field in The former Yugoslav Republic of Macedonia. Albania also indicated that national accounts work has just started in his country with help from the World Bank that will allow the rough estimates by IMF, the only available information on Albanian GDP at the moment, to be replaced.

31. The Bulgarian representative announced an international exhibition of machinery and equipment goods to be held in Plovdiv, Bulgaria in September this year. This display of equipment goods may provide a useful occasion for updating specifications for the relevant area of the Group II comparison.

32. The representatives of UNSD and the World Bank indicated that their organisations were interested in obtaining expenditure data and parities at the basic heading level for all countries that participated in the 1993 comparison and possibly even the individual item-level price data of certain countries. Since country representatives were not authorised to take a position on this request and similar requests made earlier by other organisations, it was suggested that interested organisations should approach the ACSO who will then approach the countries concerned for permission to access basic price and expenditure data.

33. The participants expressed their warm thanks and appreciation to the ACSO for the excellent working conditions and kind hospitality extended during the Consultation which undoubtedly contributed substantially to the constructive and productive discussions during the week.

34. The Consultation adopted the present report before it adjourned.