



International price comparisons, purchasing power parities

Description

The International Comparison Programme (ICP) compares the real gross domestic product that has been adjusted for purchasing power per capita and the price level of the participating countries. Both indicators may only be calculated using purchasing power parities. The (absolute) purchasing power parities of the International Comparison Programme exist in the form of the relative price for an identical product in two countries. Since 1990, Switzerland has taken part in the comparison programme of Eurostat and the OECD, a regional department of the International Comparison Programme.

Available since:

Detailed results for 61 analytical categories according to the ESNA 2010 (European System of National Accounts 2010) available from the reference year 2003. Global results according to the ESNA 2010 are available for the years 1995 to 2002. The results for the years 1990 to 1994 are available according to the ESNA 79.

Characteristics recorded:

Final sales prices of consumer goods and services, prices of investment goods and construction prices, prices of hospital services, wages, rents, educational expenditure, Swiss gross domestic product

Methodology

The FSO collects prices of consumer and investment goods as part of the comparison programme of EUROSTAT and the OECD. The price data are collected by the FSO either on-site in the retail trade business or by telephone, internet or catalogue. The construction price survey is carried out by a private company. In addition, the comparison programme evaluates data from existing statistics, in particular National Accounts, the Earnings Structure Survey, the Structural Survey (rents), the Swiss Consumer Price Index, the Harmonised Consumer Price Index and the Hospital Statistics.

Degree of regionalization:

National average of the participating countries

Periodicity:

The survey cycle is 3 years for consumer goods, 2 years for investment goods and 1 year for rents, wages, construction prices and hospital services.

Reference period:

Calendar year

Quality of statistical information:

The rules for the provision of basic information, for the calculation and publication of purchasing power parities and indicators calculated using purchasing power parities are determined by EU Regulation No 1445/2007.

Within the framework of this regulation, the PPP (purchasing power parities) working group determines the approach of the statistical programme, the applied methods and the publication of results.

The approach and calculation methods of the EUROSTAT/OECD PPP programme have been published in a handbook: EUROSTAT - OECD: Methodological manual on purchasing power parities. Luxembourg, 2012.

Validation of the basic data: The results calculated by EUROSTAT are sent to the national statistical institutes and validated by these, usually in several validation rounds and in close cooperation with EUROSTAT. A separate validation table, the Quaranta table, is created for this purpose. Before the results are published, Eurostat will obtain the agreement of the national statistical offices.

Policy on revisions

The first provisional results from a comparison year are published by the Statistical Office of the European Communities in June of the following year. In December, every year the results for the three previous years are recalculated and published. The weighting is updated annually, the product list is renewed per survey cycle.

Legal bases

Switzerland:
Ordinance on the Conduct of Statistical Surveys by the Confederation of 30 June 1993 (RS 431.012.1)

EU:
Regulation (EC) No. 1445/2007 of the European Parliament and of the Council of 11 December 2007 establishing common rules for the provision of basic information on Purchasing Power Parities and for their calculation and dissemination, in: Journal of the European Union L336/1 of 20.12.2007.

Since 21.11.2008, Regulation (EC) No. 1445/2007 has been incorporated into Annex A to the Agreement of 26 October 2004 between the Swiss Confederation and the European Community on cooperation in the field of statistics (SR 0.431.026.81)

Organization

The Federal Statistical Office (FSO) procures the Swiss basic data, the Statistical Office of the EU coordinates the price surveys, carries out the calculations and publishes the results of this statistical programme.

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