



# **PURCHASING POWER PARITY**

Country Session: The Republic of TURKEY 17-18 July 2006





**Agenda Item: PURCHASING POWER PARITY AND REMUNERATION & PENSIONS** 

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### **Overview**

- First participation in the program under OECD organization in 1986
- Transferring to EUROSTAT's "the Southern European Countries of the European Comparison Program" since March 2000
- Related studies are undertaken in line with PPP Manual, PPP regulation and other methodological documents





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# **Responsible Institution**

**TURKSTAT** 

### **Stakeholders**

Ministry of Finance

The Presidency of State Personnel

Unions of Public Employers

Ministry of Health

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# Methodology

## Coverage

Common basket of goods and services selected as representative of Gross Domestic Products (GDP) at national level

#### **Disaggregation level**

Basic heading level of GDP (the lowest level for which expenditure weights can be estimated)





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# Methodology (cont'd)

#### **Data Source**

### For price data

- Special price surveys
- Administrative registers

### For expenditure data

• GDP weights at detailed level-national accounts data





# Methodology (cont'd)

#### Classifications

- Classification of Individual Consumption by Purpose (COICOP)
- Classification of the Functions of Government (COFOG)
- International Standard Classification of Occupation (ISCO)
- Classification of Products by Activity (CPA)
- General Industrial Classification of Economic Activities (NACE)





# Methodology (cont'd)

## **Periodicity**

## **Private Final Consumption Expenditure (PFCE)**

- Rolling 3 year cycle, for the main groups of PFCE
- Annual, for rent indicators
- Annual, for CPI data

## **Government Final Consumption Expenditure**

Annual

### **Gross Fixed Capital Formation**

For two years





# Methodology (cont'd)

#### **Dissemination**

Results are published by Eurostat in the following format:

- Eurostat News Release
- Statistics In Focus (SIF)
- Annual Results (Eurostat's New Cronos and CIRCA Website)

Eurostat News Release and Statistics In Focus are translated into Turkish.





## **Other Studies**

- PPP inventories are prepared according to the structure determined by Eurostat. Part 1 will be finished by the end of 2006 in line with Eurostat's work plan
- "Chapter 3: government final expenditures," priority for use of Task Force on "government final expenditures," was completed and submitted to Eurostat in April 2006





## **Remuneration and Pensions**

- There is no activity on "remuneration and pensions" at present
- Purchasing Power Parity (PPP) is one of the main indicators for this program

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## **Future Plans**

- Spatial adjustment coefficient will be estimated for consumer goods and services to improve the quality of the results and fully integrated in the comparison program (as it is planned in the Official Statistics Program, 2007-2011)
- Related studies will be started in the second half of 2006