



NEWSLETTER



DOSM/BPHPP/3.2021/Series 41

INTERNATIONAL COMPARISON PROGRAM (ICP)

HIGHLIGHTS OF THE ICP2017 RESULTS GROSS DOMESTIC PRODUCT (GDP)

- The **central objective** of the International Comparison Program (ICP) is to provide internationally comparable measures of economic activity in the economies around the world as measured by gross domestic product (GDP) and its several components.
- GDP is calculated as the gross value of output, less the value of goods and services used as intermediate outputs, plus taxes less subsidies on products.
- The ICP **focuses on the expenditure side of GDP** for two reasons :
 - collecting the price and expenditure data necessary for compiling purchasing power parities (PPPs), real GDP, and its components is more feasible on the expenditure side than on the production side
 - expenditure side comparisons provide more direct measures of the standards of living of people residing in the participating economies.

The reference or base economy in Asia and the Pacific is Hong Kong, China since the 2005 ICP cycle and with Hong Kong dollar (HK\$) as the reference currency.

The main reasons for the choice of Hong Kong, China as the base economy are:

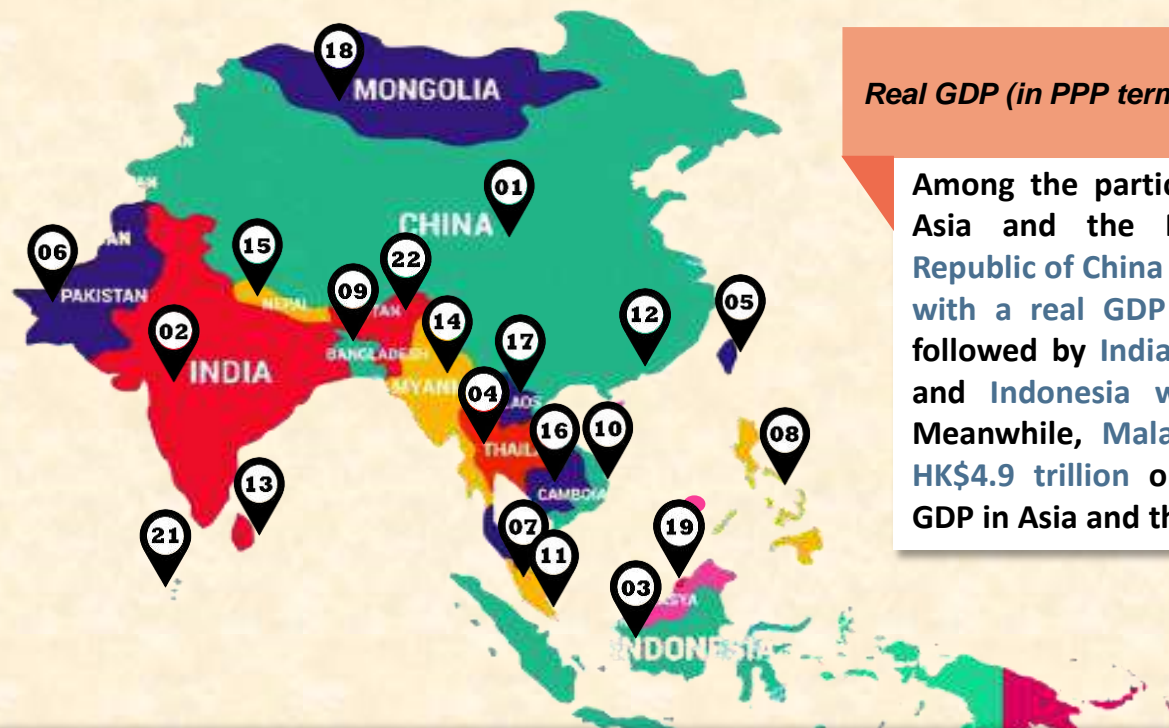
- Well-functioning market structure without price distortions
- Well-developed and broadly-based economy where a large variety of goods and services are available which ensures good overlap of price data with other participating economies
- A strong statistical system for price and national accounts statistics
- Hong Kong dollar is a stable currency in Asia and the Pacific region



Real Gross Domestic Product in Purchasing Power Parity terms

- In the ICP, real gross domestic product (GDP) or volume of goods and services produced in economies are estimated indirectly by using direct measures of relative prices – the purchasing power parities (PPPs) – that eliminate the differences in the price levels across economies.
- Thus, the real GDP of an economy is obtained by dividing its GDP in local currency unit by its PPP for GDP.
- The real GDP expresses GDP in a common currency unit and at the same time adjusts for price level differences in different economies.





Real GDP (in PPP terms): HK\$232.3 trillion

Among the participating economies of Asia and the Pacific, the People's Republic of China is the largest economy with a real GDP of HK\$117.9 trillion, followed by India with HK\$48.4 trillion and Indonesia with HK\$17.4 trillion. Meanwhile, Malaysia's real GDP is at HK\$4.9 trillion or 2.12% to total real GDP in Asia and the Pacific.

SUMMARY OF EXPENDITURE BASED ON PPPs 2017

	Economy	Expenditure (HK\$ billion) Based on PPPs	Expenditure Share based on PPPs (Asia and the Pacific = 100.0)
1	People's Republic of China	117,929	50.76
2	India	48,395	20.83
3	Indonesia	17,394	7.49
4	Thailand	7,232	3.11
5	Taipei, China	6,688	2.88
6	Pakistan	5,954	2.56
7	Malaysia	4,916	2.12
8	Philippines	4,902	2.11
9	Bangladesh	4,272	1.84
10	Viet Nam	4,069	1.75
11	Singapore	3,171	1.36
12	Hong Kong, China	2,663	1.15
13	Sri Lanka	1,621	0.70
14	Myanmar	1,409	0.61
15	Nepal	503	0.22
16	Cambodia	378	0.16
17	Lao People's Democratic Republic	303	0.13
18	Mongolia	212	0.09
19	Brunei Darussalam	156	0.07
20	Fiji	71	0.03
21	Maldives	55	0.02
22	Bhutan	52	0.02
	Asia and the Pacific	232,344	100.00





GDP EXPENDITURE PER CAPITA 2017

Expenditure per Capita (HK\$) Based on PPP	Population 2017 (million)	Population Share (Asia and the Pacific = 100.00)
1 564,960	5.61	Singapore 0.15
2 362,379	0.43	Brunei Darussalam 0.01
3 360,247	7.39	Hong Kong, China 0.2
4 283,878	23.56	Taipei, China 0.62
5 153,532	32.02	Malaysia 0.85
6 112,187	0.49	Maldives 0.01
7 106,892	67.65	Thailand 1.79
8 85,061	1,386.40	People's Republic of China 36.62
9 80,772	0.88	Fiji 0.02
10 75,587	21.44	Sri Lanka 0.57
11 70,855	0.73	Bhutan 0.02
12 67,241	3.15	Mongolia 0.08
13 66,419	261.89	Indonesia 6.92
14 46,721	104.92	Philippines 2.77
15 43,944	6.90	Lao People's Democratic Republic 0.18
16 43,179	94.24	Vietnam 2.49
17 36,965	1,309.20	India 34.58
18 29,905	199.11	Pakistan 5.26
19 26,519	53.15	Myanmar 1.4
20 26,401	161.80	Bangladesh 4.27
21 23,853	15.85	Cambodia 0.42
22 17,431	28.83	Nepal 0.76

GDP Expenditure Per Capita Based on PPPs: HK\$61,375

The four economies with the highest per capita real GDP are Singapore (HK\$564,960); Brunei Darussalam (HK\$362,379); Hong Kong, China (HK\$360,247); and Taipei, China (HK\$283,878). Malaysia's GDP per capita ranks number fifth at HK\$153,532.

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 1. 2017 ICP; Purchasing Power Parities and Real Expenditure; A Summary Report
 2. 2017 ICP; Purchasing Power Parities and Real Expenditure; Results and Methodology
 3. ICP DOSM Newsletter DOSM/BPHPP/2.2021/Series 37