

## Summary Results of the 2021 International Comparison Program



### Size and Share in the Asia and the Pacific Region

The Summary Results for Bhutan table (Annex 1) presents purchasing power parities (PPPs), price level indexes (PLIs), estimated gross domestic product (GDP) values, and other expenditure aggregates for Bhutan from the 2021 International Comparison Program (ICP). The results are based on a comparison of 21 regional economies<sup>1</sup> of Asian Development Bank that participated in the 2021 ICP for Asia and the Pacific, with Hong Kong, China as the reference economy and Hong Kong dollar (HK\$) as the reference currency for spatial comparisons. Any reference to rankings of Bhutan in this discussion is out of the 21 participating economies.

Bhutan has the third-smallest real GDP of HK\$61.3 billion (column 3) among the 21 participating economies, which is about 2.8 times its nominal GDP of HK\$21.5 billion (column 8), indicating that the exchange rate is about 2.8 times the PPP at the GDP level. With a population share of only about 0.02% of the region, Bhutan's economy contributes about the same fraction (0.02%) of the region's total real GDP (column 4). This share is much larger than the share in nominal terms of 0.01% (column 9), the lowest in the region.

Bhutan's nominal individual consumption expenditure by households (ICEH)-to-GDP ratio of 52.12% (column 13) ranks 15th in the region, while the economy's nominal gross fixed capital formation (GFCF)-to-GDP ratio of 43.99% is the second highest in the region after the Lao People's Democratic Republic (column 13). Relative to the region, the economy's real ICEH of HK\$31.9 billion (column 3) comprises 0.02% of the region's total real ICEH (column 4), the second smallest after Maldives. Bhutan's real GFCF of HK\$17.8 billion (column 3) is only 0.02% of the region's total real GFCF (column 4), ranking it the third smallest.

### Per Capita Expenditures

Despite being the third-smallest economy in the region, factoring in its small population improves Bhutan's rank, which is 11th in the region in terms of its per capita real GDP of HK\$81,049 (column 5). Bhutan registers per capita real expenditures which are more than double the regional average in the following: oils and fats (with an index of 213 relative to the regional average of 100), nonalcoholic beverages (314), alcoholic beverages (320), education (218), and government final consumption expenditure (312) (column 7).

### Purchasing Power Parities, Exchange Rates, and Price Levels

With the local currency of ngultrum (Nu), Bhutan's PPP at the GDP level of Nu3.34 = HK\$1 (column 2) is only 35% of the economy's exchange rate of Nu9.51 = HK\$1 in 2021, implying that the overall price level in Bhutan is only 35% of (or 65% lower than) that in Hong Kong, China (column 14) and only 55% of (or 45% lower than) the region's average price level (column 15). With a GDP-level PLI of 55 (column 15), Bhutan has the lowest overall price level in the region. This makes Bhutan's overall price level the least expensive in the region, which is the least expensive regional economy with the lowest PLI at the level of GDP. Bhutan posts the lowest PLIs in the region for housing, water, electricity, gas, and other fuels (with a PLI of 38), restaurants and hotels (43), collective consumption expenditure by government (27), and government final consumption expenditure (27). Bhutan registers the fifth-highest PLIs, with 94 for machinery and equipment and 93 for other products.<sup>2</sup>

<sup>1</sup> Twenty-one economies participated in the 2021 ICP in Asia and the Pacific: Bangladesh; Bhutan; Brunei Darussalam; Cambodia; the People's Republic of China; Fiji; Hong Kong, China; India; Indonesia; the Lao People's Democratic Republic; Malaysia; Maldives; Mongolia; Nepal; Pakistan; the Philippines; Singapore; Sri Lanka; Taipei, China; Thailand; and Viet Nam.

<sup>2</sup> A PLI rank of 1 implies most expensive, while a rank of 21 implies least expensive among the group of 21 participating economies for the expenditure component under consideration.

# Annex 1: Summary Results for Bhutan, 2021

Expenditure Category	Purchasing Power Parities (HK\$ = 1.00)	Real Expenditure		Per Capita Real Expenditure			Nominal Expenditure		Per Capita Nominal Expenditure			Nominal Expenditure Shares, (%)	Price Level Indexes		Expenditure (billion LCU)
		(HK\$ billion)	Economy Shares to AP, (%)	HK\$	Index (HKG = 100)	Index (AP = 100)	(HK\$ billion)	Economy Shares to AP, (%)	HK\$	Index (HKG = 100)	Index (AP = 100)		(HKG = 100)	(AP = 100)	
Gross Domestic Product	3.34	61.3	0.02	81,049	21	99	21.5	0.01	28,458	7	54	100.00	35	55	204.66
Actual Individual Consumption by Households <sup>a</sup>	3.06	40.7	0.02	53,772	20	113	13.1	0.01	17,316	6	65	60.85	32	57	124.53
Food and nonalcoholic beverages	4.33	10.0	0.02	13,259	55	128	4.6	0.02	6,038	25	108	21.22	46	85	43.42
Food	4.32	9.2	0.02	12,220	54	121	4.2	0.02	5,548	25	104	19.50	45	86	39.90
Bread and cereals	4.53	2.5	0.03	3,242	125	170	1.2	0.03	1,546	60	141	5.43	48	83	11.12
Meat	4.60	0.8	0.01	1,018	13	57	0.4	0.01	493	6	43	1.73	48	76	3.54
Fish and seafood	4.30	0.3	0.01	375	9	37	0.1	0.01	169	4	34	0.60	45	93	1.22
Milk, cheese and eggs	4.69	1.7	0.03	2,221	208	165	0.8	0.03	1,095	103	168	3.85	49	102	7.87
Oils and fats	6.54	0.6	0.04	739	349	213	0.4	0.04	508	240	211	1.79	69	99	3.65
Fruit	3.61	0.5	0.01	705	33	59	0.2	0.01	268	13	51	0.94	38	86	1.93
Vegetables	3.96	2.2	0.03	2,913	164	179	0.9	0.03	1,212	68	177	4.26	42	99	8.72
Sugar, jam, honey, chocolate and confectionery	3.85	0.3	0.02	384	56	119	0.1	0.02	155	23	88	0.55	41	74	1.12
Food products n.e.c.	3.96	0.2	0.01	245	11	36	0.1	0.01	102	5	30	0.36	42	83	0.74
Nonalcoholic beverages	4.66	0.8	0.06	1,000	66	314	0.4	0.04	490	32	219	1.72	49	70	3.52
Alcoholic beverages, tobacco and narcotics	3.34	1.1	0.03	1,404	87	156	0.4	0.01	493	31	74	1.73	35	47	3.55
Alcoholic beverages	5.15	0.3	0.06	460	58	320	0.2	0.03	249	31	145	0.87	54	45	1.79
Tobacco and narcotics	2.33	0.8	0.02	999	123	95	0.2	0.01	244	30	49	0.86	24	52	1.76
Clothing and footwear	5.18	1.2	0.02	1,553	14	108	0.6	0.01	845	7	71	2.97	54	66	6.08
Housing, water, electricity, gas and other fuels <sup>a</sup>	1.39	9.5	0.02	12,591	28	118	1.4	0.01	1,841	4	45	6.47	15	38	13.24
Furnishings, household equipment and routine household maintenance	4.91	0.9	0.02	1,171	8	92	0.5	0.01	604	4	64	2.12	52	69	4.35
Health <sup>a</sup>	1.50	6.0	0.02	7,996	29	125	1.0	0.01	1,263	5	55	4.44	16	44	9.08
Transportation	4.61	1.9	0.01	2,477	22	57	0.9	0.01	1,201	11	48	4.22	48	84	8.63
Purchase of vehicles	7.42	0.5	0.01	620	24	51	0.4	0.01	483	18	63	1.70	78	122	3.47
Transport services	3.93	0.7	0.01	864	20	73	0.3	0.01	357	8	59	1.25	41	80	2.57
Communication	6.54	0.8	0.02	1,058	12	95	0.6	0.02	728	8	96	2.56	69	102	5.23
Recreation and culture <sup>a</sup>	4.75	0.9	0.02	1,137	5	115	0.4	0.01	567	2	73	1.99	50	64	4.08
Education <sup>a</sup>	1.45	9.0	0.04	11,937	63	218	1.4	0.01	1,816	10	66	6.38	15	30	13.06
Restaurants and hotels	2.89	1.2	0.02	1,604	9	83	0.4	0.01	488	3	36	1.71	30	43	3.51
Miscellaneous goods and services <sup>a</sup>	3.68	2.8	0.01	3,695	6	75	1.1	0.01	1,431	2	39	5.03	39	52	10.29
Net purchases abroad	9.51	-	-	-	n.a.	-	-	-	-	n.a.	-	-	100	100	-
Individual Consumption Expenditure by Government	1.62	11.0	0.06	14,598	75	303	1.9	0.02	2,483	13	82	8.72	17	27	17.85
Collective Consumption Expenditure by Government	1.86	15.3	0.06	20,275	68	318	3.0	0.02	3,970	13	86	13.95	20	27	28.55
Gross Capital Formation	5.12	17.8	0.02	23,487	36	85	9.6	0.01	12,632	19	62	44.39	54	73	90.85
Gross fixed capital formation	5.07	17.8	0.02	23,479	36	88	9.5	0.01	12,519	19	64	43.99	53	73	90.03
Machinery and equipment	10.19	4.5	0.03	5,984	41	141	4.8	0.03	6,414	44	133	22.54	107	94	46.12
Construction	2.95	14.7	0.02	19,385	46	83	4.5	0.01	6,016	14	49	21.14	31	60	43.27
Other products	10.35	0.1	0.00	82	1	4	0.1	0.00	89	1	4	0.31	109	93	0.64
Changes in inventories	5.64	0.1	0.00	132	-51	17	0.1	0.00	78	-30	12	0.27	59	71	0.56
Acquisitions less disposals of valuables	9.51	0.0	0.01	35	n.a.	29	0.0	0.01	35	n.a.	29	0.12	100	100	0.26
Balance of Exports and Imports	9.51	-4.1	-0.09	-5,460	-25	-457	-4.1	-0.09	-5,460	-25	-457	-19.18	100	100	-39.26
Individual Consumption Expenditure by Household <sup>b</sup>	3.34	31.9	0.02	42,194	17	98	11.2	0.01	14,834	6	63	52.12	35	64	106.68
Individual Consumption Expenditure by Households without Housing <sup>b</sup>	3.80	25.8	0.02	34,091	16	96	10.3	0.01	13,620	6	65	47.86	40	68	97.95
Government Final Consumption Expenditure	1.75	26.5	0.06	35,085	72	312	4.9	0.02	6,452	13	85	22.67	18	27	46.40
Domestic Absorption	3.36	72.5	0.02	95,876	26	116	25.6	0.01	33,918	9	66	119.18	35	56	243.93
Total Consumption	2.82	54.3	0.03	71,771	24	134	16.1	0.01	21,286	7	68	74.80	30	51	153.08

## Reference Data

Exchange rate (LCU / HK\$)	9.51
Total Population (in million)	0.76
Population Share to AP (%)	0.02

0.0 or 0.00 = magnitude is less than half of the unit employed; - = magnitude equals zero.

AP = Asia and the Pacific; HK\$ = Hong Kong dollar; HKG = Hong Kong, China; LCU = local currency units; n.a. = not applicable; n.e.c. = not elsewhere classified.

a Includes individual consumption expenditure by households, nonprofit institutions serving households, and government.

b Includes expenditure by nonprofit institutions serving households.

Notes:

1. Each real aggregate value is derived by using a purchasing power parity that is specific to that aggregate, so real aggregates may not sum up to the total of their real components for an economy.

2. Expenditure aggregates presented in local currency units are the best possible estimates provided by the participating economies, using most recent available data sources, and some of these aggregates may be different from the published expenditure estimates by the economies.

3. Data for mid-year population estimates and exchange rates were supplied by the participating economies for the International Comparison Program.

Source: Asian Development Bank estimates.