

# Why is it important to express GNI per capita in purchasing power parity (PPP) international dollars?

The HDI attempts to make an assessment of 189 diverse countries and territories, with very different price levels. To compare economic statistics across countries, the data must first be converted into a common currency. Unlike market exchange rates, PPP rates of exchange allow this conversion to take account of price differences between countries. In that way GNI per capita (PPP \$) better reflects people's living standards uniformly. In theory, 1 PPP dollar (or international dollar) has the same purchasing power in the domestic economy of a country as \$1 (USD) has in the US economy. The current PPP conversion rates have been introduced in May 2014. They were based on the 2011 International Comparison Programme (ICP) Surveys, which covered 199 economies from all geographical regions and from the OECD.

**Category:** [Human Development Index \(HDI\)](#)

