

MEETING OF THE INTERSECRETARIAT WORKING GROUP ON PRICE STATISTICS
March 20, 2002 2:15-3:30 pm

Organization	Name
EUROSTAT	John Astin
ILO	Eivind Hoffmann Valentina Stoevska
IMF	Kim Zieschang Paul Armknecht (Chair, TEG-PPI and Editor, PPI Manual)
OECD	Fenella Maitland-Smith
UK Office for National Statistics (ONS)	David Fenwick (Chair, TEG-CPI)
Consultant	Peter Hill (Editor, CPI Manual)

- Adoption of agenda
- Form factor, topic, and section order of CPI and PPI Manuals

The Technical Expert Groups considered various options for arranging three components of the two manuals, the components being:

- A - CPI/PPI Manual Introduction/overview and guide, comprising material from existing Chapters 1, 2, and 10 of the CPI Manual, and 1, 2, and 11 of the PPI Manual, respectively;
- B - CPI/PPI Concepts Manual;
- C - CPI/PPI Compilation Manual.

Component A would include two guides to the manual along the lines of a table listing the chapters of analyst's component B in a first column with the associated chapters/sections from the compiler's component C in a second column, and a table listing the chapters of the compiler's component C in a first column with the associated chapters/section of the analyst's Component B in a second column.

Four configurations or form factors were proposed:

- 1 – Three separate books A, B, and C.
- 2 - Two separate books AB and AC.
- 3 - A single book ABC
- 4 – A single book ACB.

In options 1 and 2, chapters in B and C would be independently numbered, beginning with 1. All of the options would permit taking a compiler's and analyst's view of the

material, as laid out in component A. Option 2 has a form factor allowing a central bank economist to take the analyst's view with volume AB and look up compiler information as needed in AC, while a compiler could take the compiler's view with volume AC and look up concepts as needed in AB.

Kim Zieschang (IMF) and Eivind Hoffmann (ILO) noted their organizations' preference for the topic order of option 4.

John Astin (EUROSTAT) indicated he had no real preference for topic ordering but allowed as how the current ABC ordering was the most logical. He indicated, however, that he could be flexible on the section ordering if there were significant support for the sequencing represented in option 4. He proposed option 2 as a way of putting the concepts and compiler manuals on an equal footing.

In an intervention during a joint meeting of the TEG-CPI and TEG-PPI during the afternoon of March 19, David Roberts (OECD) noted, however, that the concepts manual AB will simply get lost "in the library" in most statistical offices, and strongly favored a single book with the concepts/compilation ordering. He strongly supported option 3.

Jan Karlsson (UNECE) said that a single volume would be more cost effective and it was agreed that if a page layout could be adopted (e.g., along the lines of the 1993 SNA two-column format) condensing the 1000+ page typescript into about 500 printed pages, a single volume likely would be feasible. He also preferred option 3 but indicated flexibility regarding consideration of option 4.

- **The IWGPS decided to follow option 4 regarding the organization of the manuals, with extensive cross-referencing in the text following the schema set out in component A regarding the compiler and analyst views of components B and C.**
- **The IWGPS resolved that component C on compilation needs reinforcing in certain areas particularly important to the developing country context, such as recording negotiated prices and handling vendors with no permanent address. *ILO agreed to supply two papers on issues identified by statisticians in Anglophone and Francophone Africa to support this reinforcement of component C.***
- **The IWGPS resolved that component B on concepts would be subject to substantive editing, with the concurrence of the authors to the greatest extent possible, to eliminate excessive repetition and clarify abstruse passages. *IMF and ILO agreed to closely coordinate editing of the concepts sections of the two manuals with a view toward achieving maximum clarity and consistency of style.***

March 21, 2002 2:15-4:00 pm

Organization	Name
ILO	Eivind Hoffmann Valentina Stoevska
IMF	Kim Zieschang
OECD	Fenella Maitland-Smith
UK ONS	David Fenwick (Chair, TEG-CPI)
Consultant	Peter Hill (Editor, CPI Manual)

- Adoption of agenda
 - **The agenda (bulleted below) was adopted.**
- Accept draft minute of 20 March 2002 meeting
 - **The minute was accepted with corrections (see above).**
- Tentative schedule of completion
 - **The following schedule was agreed subject to further consultation with the publications units of ILO and IMF:**

Task	CPI Manual	PPI Manual
Zero draft	31 May 2002 (authors)	31 May 2002 (authors)
Focus group review	15 July 2002 (ILO, Francophone and Anglophone African statisticians June 2002; Asian statisticians June 2001 OECD/Statistics Singapore CPI Workshop; advanced country statisticians April 2001 Canberra meeting of the Ottawa Group)	15 July 2002 (IMF, selected statisticians from countries not represented on the TEG-PPI, including a representative from Morocco, who has expressed interest in participating)
Substantive editing		
Part A—Introduction and guide	31 May 2002 (Mr. Hill)	31 May 2002 (Mr. Armknecht)
Part C—Compilation manual	30 September 2002 (ILO)	30 November 2002 (IMF)
Part B—Concepts manual	15 July 2002 (Mr. Hill, forwarded on flow basis to IMF) 30 September 2002 (IMF)	30 September 2002 (IMF)

Task	CPI Manual	PPI Manual
Copy editing	31 December 2002 (ILO)	31 December 2002 (IMF)
Formatting and electronic version for web release and printing	15 February 2003 (ILO)	15 February 2003 (IMF)
Electronic (web) release	March 1, 2003 (ILO)	March 1, 2003 (IMF)
Print release	December 31, 2003 (ILO)	March 31, 2003 (IMF)

- Mode of distribution and copyright.

Some discussion took place concerning joint copyrighting of the Manuals by the member organizations of the IWGPS. Mr. Karlsson (UNECE) distributed a copy of an Email from Robert Johnston of the UN to Sylvester Young (ILO) regarding the copyright policy set for the *1993 SNA*. Another topic discussed was the free electronic distribution of the manuals via the ILO and IMF websites. It was noted regarding free electronic distribution that, by way of setting a precedent, the *1993 SNA* already is electronically disseminated by the UN from its website free of charge.

- **The IWGPS agreed that the joint copyright of the *System of National Accounts 1993* would be the model for the *Consumer Price Index Manual* and the *Producer Price Index Manual*.**
- **The IWGPS agreed to recommend to its member organizations that the Manuals be disseminated free of charge via the ILO (CPI Manual) and IMF (PPI Manual) websites; a jointly agreed price would be set for the print publications.**
- Process by which the manuals will be updated

Mr. Karlsson (UNECE) proposed a process similar to that followed by the Intersecretariat Working Group on National Accounts (ISWGNA) for the *System of National Accounts (1993 SNA)*. Ms. Stoevska (OECD) recalled for the group that IWGPS had decided not to treat the content of its manuals as an international *standard*, but rather international *guidance*. As such, it would not require approval of the UN Statistical Commission, but would be submitted to the Statistical Commission for information.

- **The IWGPS decided to adopt the ISWGNA procedures regarding informing national statistical offices of proposed updates to the manuals and soliciting their comment; however**
- **The IWGPS decided *against* requesting Statistical Commission approval for changes and updates to the international guidance it develops on price index methodology, deciding instead to inform the Statistical Commission of all such updates and the comment process prior to their adoption.**
- **The IWGPS decided to continue the TEG-CPI and TEG-PPI to provide technical consultation as needed on updates to the manuals**

- **The IWGPS agreed to meeting at least once a year in the fall as clarification and update of existing methodology and current projects require (see possible future work below)**
- Discussion of future work
 - International Comparisons Program (ICP)

IWGPS members who were participants in the World Bank ICP Conference during the immediately preceding week of March 11-15, 2002 noted the general acceptance by the Conference of the principle that, beginning with the 2003 round, the ICP methodology should increasingly be meshed with and depend on data collected for national temporal price indices to minimize the burden on national statistical offices of participation in the Program. An important development enabling this integration discussed both at the ICP conference and at the TEG meetings is the development of an international product characteristics checklist standards meshed with international classification standards such as the Classification of Individual Consumption by Purpose (COICOP) for the CPI, and the Central Product Classification, and the EUROSTAT Classification of Products by Activity (CPA) and PRODCOM product classifications for the PPI. It was noted that an appendix on the ICP already has been included in the CPI Manual at the behest of the World Bank.

- **The IWGPS agreed that, recognizing the World Bank's membership in the IWGPS, IMF would consult with the Bank concerning the role of the IWGPS in the organizational structure of the ICP project, and in the review and integration of ICP methodological guidance with the guidance developed for national temporal indicators such as the CPI and PPI in the CPI and PPI Manuals.**

- Export and Import Price Indices

Mr. Zieschang (IMF) reported on interest expressed by technical staff of the US Bureau of Labor Statistics International Price Program in participating the development of international guidance on Export and Import Price Indices. He also noted that IMF is currently at work on a Working Paper on methodology for these indices. He suggested that this would be a good project to follow the CPI and PPI manuals, say by the spring of 2003 when these two current projects will be winding down. Mr. Hoffmann (ILO) noted that such guidance should consider not only merchandise but also services.

- **The IWGPS agreed to consider export and import price indices as a possible next manual project.**

- Capital stock and capital formation price indices

Ms. Maitland-Smith (OECD) proposed that construction price indices are of considerable interest in a number of countries, and that OECD tracks and publishes national methodologies in this area. She proposed it as a useful international guidance project. Mr. Zieschang noted current IMF work on a Working Paper on changes in inventories and suggested that a possible future manual might cover price indices for capital stocks and capital formation, broadening the focus from construction and inventories only.

- **The IWGPS agreed to consider capital stock and capital formation price indices as a possible future project**

- Transport services price indices

Mr. Karlsson (UNECE) noted that the Conference of European Statisticians has an interest in the development of price indices for transport services. Mr. Zieschang (IMF) suggested that this might be included under the update and deepening of guidance envisioned for the PPI Manual.

- **The IWGPS agreed to consider transport services price indices as a possible future project under the future update and deepening of the PPI Manual**

- Next meeting and schedule of future meetings
 - **Following the review and update discussion above and in view of substantial tasks nearing completion on the editing process of both manuals by the fall of 2002, the IWGPS tentatively agreed to meet during the fall, if possible in conjunction with a planned World Bank ICP meeting, in Washington at about that time.**