

14th Meeting of the

**Inter-secretariat Working Group
on Price Statistics
(IWGPS)**

1 June 2012

Geneva

Minutes

Inters-secretariat Working Group on Price Statistics

14th Meeting, 1 June 2012

From 14:30 to 17:00 (CET)

Palais des Nations, Geneva

Minutes

Final Version 14 November 2013

Attendance

Institutional members

- Roberto Barcellan Eurostat - Chairman
- Valentina Stoevska International Labour Organisation
- Brian Graf International Monetary Fund
- Kimberly Zieschang International Monetary Fund
- Peter Van de Ven Organisation for Economic Co-operation and Development
- Anne Sophie Fraisse Organisation for Economic Co-operation and Development
- Carsten Boldsen United Nations Economic Commission for Europe

Excused: World Bank.

Invited participants

- Kirsten Balling Statistics Denmark, Ottawa Group
- Erwin Diewert University of British Columbia, Canada and University of new South Wales, Australia
- David Fenwick Consultant, United Kingdom
- Jan de Haan Statistics Netherlands
- Niall O'Hanlon Central Statistical Office Ireland
- Bethold Feldmann Eurostat
- Jarko Pasanen Eurostat
- Daniela Schackis European Central Bank
- Martin Eiglsperger European Central Bank
- Paul Armknecht International Monetary Fund

0. Approval of the agenda – Approval of the minutes of the previous IWGPS meeting

The draft agenda was adopted without any changes (see Annex I). The minutes of the previous meeting of the IWGPS held on 17 January 2012 (telephone conference), including the suggestions provided by IWGPS members, were approved.

1. Residential Property Price Indices

The Chair informed the participants on the progress towards the official release of the Residential Property Price Indices (RPPI) Handbook.

The discussion focussed on practical aspects related to sign-off (who should do for each organisation), logos, on the number of copies to be printed, on the price policy, on the possibility of using established channels to advertise the Handbook (e.g. the OECD news notes).

The participants discussed also the opportunity of complementing the Handbook, which has an important methodological component, with practical guidelines. It was argued that the CPI Manual has been complemented by practical guidelines; the RPPI Handbook has nevertheless already a chapter devoted to case studies.

IMF volunteered to explore the possibility of translating the Handbook in French and Spanish.

Consideration was given to the possibility of advertising the Handbook in the dedicated websites of IMF regional organisations and of the Advisory Expert Group in National Accounts.

Action points:

- Eurostat to finalise the steps towards the official release of the Handbook, including collection of signatures and logos of IWGPS members.
- IMF to explore the possibility of translating the Handbook in French and Spanish.

2. Commercial Property Price Indices

Eurostat and the ECB reported to the IWGPS members on the Commercial Property Price Indicators (CPPI) conference held in May 2012 and on the launching of the project for the compilation of the CPPI Handbook.

The ECB announced the intention to publish by end 2012 CPPIs for the euro area at quarterly frequency. These estimates will be based on data provided by a commercial private provider. The estimates will help ECB to assess systemic risks and will be complemented by information from other providers and from National Central Banks.

Action points:

- Eurostat to keep IWGPS members informed about the progress of the CPPI Handbook project.

3. Coordination of technical assistance and training – Price experts

Following the decision to collect information on on-going and foreseen activities of technical assistance and training in price statistics (IWGPS meeting in April 2012), IMF, UNECE and ILO had provided relevant information in advance to the meeting. The discussion focussed on how to enhance in a light way the coordination of technical assistance and training in price statistics with the aim to have a better understanding and to mutually complement the work done by different organisations.

ILO informed the IWGPS members about the regional African conference foreseen in 2013 and on the long-term technical assistance mission in Zambia.

The participants discussed how to share relevant information on the different activities, including country missions, taking into account the restrictions to share confidential information. A consensus was reached on, at least, set up a list of foreseen workshops/assistance missions to countries, including additional information on timing, topics and contact persons.

Action points:

- IWGPS members to provide information on on-going and foreseen activities in the area of technical assistance and training.

4. Review of the CPI Manual

The participants had a first discussion about a possible review of the CPI Manual in the light of the developments in consumer price statistics over the last decade and of the introduction of the SNA 2008.

The participants listed the relevant elements that could lead to an update of the CPI manual, including methodological developments, practical improvements/new ways of compiling price statistics, correction of mistakes identified in the current version of the manual, changes due to the introduction of the SNA 2008.

Participants highlighted the need to refer to/establish procedures for the revision of the Manual. Consideration has been given to the previous revision of the manual, their rationale and the procedure followed on those occasions. It has been underlined how the previous revisions covered a long period based on the identification of the necessary updates and the time to produce and endorse the amendments. An intensive discussion took place on the role of the Manual and its targets (more a practical guide for the compilation of consumer price indices, a conceptual framework or a methodological reference). Experiences in other areas, such as the SNA research agenda, were also mentioned.

Action points:

- IWGPS to come back on the issue in the next IWGPS meetings.
- IWGPS members to provide to the Chair possible issues to be considered in the update of the CPI Manual.

5. UNECE/ILO expert meeting – Geneva 30 May – 1 June 2012

The IWGPS had an ex-post analysis of the UNECE/ILO expert meeting that took place in the two and half days preceding the IWGPS meeting.

Some participants suggested having less paper and giving more space to discussions. The formula with the role of discussants was appreciated by most the IWGPS members, but the suggestion to have the authors presenting briefly the papers instead of the discussant resuming them was favoured. The focus on more practical aspects, one of the characteristics of the UNECE/ILO expert meeting, should continue to be promoted, in coordination with a more methodological approach proper of the Ottawa Group meeting. The broader participation of several countries should continue to be supported, in the spirit of the meeting. Special sessions on well identified topics could be interesting for the future. Suggestions on how to effectively profit from the role of chairpersons and how to reinforce rules for presentation and discussion were also underlined

Action points:

- UNECE/ILO to take into consideration the suggestions made by IWGPS members in view of the organisation of the next CPI expert meeting.

6. Ottawa Group

The members of the Ottawa Group Steering Committee informed about the organisation of the 2013 meeting that will be hosted by Statistics Denmark in Copenhagen on 1-3 May 2013. Invitations will be sent out in September 2012 and the selected papers will have to be provided in advance to the meeting (at least one month – strict deadline). The topics will cover housing price statistics, the use of scanner data, difficult to measure items, new indices and real time indices.

The group took the opportunity to discuss how the IWGPS could facilitate the work of the Ottawa Group.

In line with the organisation of Cities Groups, the Ottawa Group is composed by experts in the specific field (price statistics) and is expert driven. The Group has a Steering Committee, which ensures both the continuity and evolution of the Group's activities and the coordination with other international activities on price statistics, such as the Expert Meetings on CPIs jointly organised by the UNECE and the ILO, and the Inter-secretariat Working Group on Price Statistics (IWGPS). The Committee comprises representatives of the agencies that host the Group's recent and upcoming meetings (currently Statistics New Zealand and Statistics Denmark), others agreed to by the membership, a representative of the organising committee for the Expert Meetings on CPIs and a representative of the IWGPS. The representative of the Australian Bureau of Statistics is currently serving as Executive Secretary. The representative of the IWGPS is, by assumption, the chair of the IWGPS.

Concerns were expressed by some members of the IWGPS on the possible impacts on organisational aspects related to roles and responsibilities in the Steering Committee, in particular on who should invite the next organiser (Japan) to proceed with the practical steps in view of the 2015 meeting. Consideration was also given to potential organisers for the 2017 meeting (Germany, Israel and South Africa could candidate for hosting the meeting). The IWGPS reiterated its support to the Ottawa Group Steering Committee via its membership (Chair of the IWGPS) to ensure a close cooperation and an institutional support to the Ottawa Group activities.

Action points: -.

7. Coordination of activities related to price statistics

As follow-up of the initial brainstorming on how to enhance the coordination of the activities related to price statistics as well as among the involved groups (IWGPS, Ottawa Group, UNECE/ILO CPI meetings, links to the Voorburg Group, ...) that took place in the IWGPS meeting (telephone conference) in January 2012, the IWGPS discussed possible actions/initiatives to enhance its coordination role. There was a general consensus on getting more information on what each relevant group is doing, either via the members of the IWGPS involved in the work of the other groups or by being more proactive in retrieving the relevant information. The links of International Organisations in the different groups should also be used to acquire information on the relevant activities.

Actions points:

- IWGPS members to collect relevant information on the activities of the groups dealing with price statistics.

8. Membership of the IWGPS and attendance to the meetings

Postponed.

Actions points: -.

9. PIPS – Price Statistics Processor Software

Paul Armknecht and Niall O'Hanlon reported on the dedicated session on PIPS that took place at the end of the CPI expert meeting.

The Price Index Processor Software (PIPS) was developed by the IMF. It is a software package that contains a full set-up of a statistical system for compilation of consumer price indices (CPIs) and producer price indices (PPIs) intended for use by national statistical offices for their regular production of official CPI and/or PPP statistics. The system can also be used for teaching, training, and research purposes.

The PIPS includes facilities for recording and storage of all input data, aggregation and compilation of price indices. The system includes a number of optional features so that it can easily be adapted to the specific needs and data sources in different statistical offices. The compilation routines in PIPS follow the guidelines of the international CPI and PPI Manuals. The software is available online for free and can be downloaded to any local pc or network. It is based on open source code which can also be downloaded for free and is easy to implement as it stands, or it can be modified to meet specific needs. The system is accompanied by thorough user manuals for both CPI and PPI compilation.

Since 2010, the UNECE Statistical Division, under an agreement with the IMF, has hosted the software package on its website (www.unece.org/stats/downloads/SW_CPI_PPI/pips.html) where it has been freely available to users. However, neither the IMF nor UNECE support, maintain, or develop the system, and both organizations assume no responsibility and disclaim all liability from its use. Hence, since 2010 only minor and necessary maintenance and updates of the software package has been undertaken on a voluntary basis by Paul Armknecht, CARTAC/IMF and Niall O'Hanlon, the Central Statistics Office of Ireland.

The system is currently being used by national statistical offices in about 15 countries in Africa and the Caribbean. The PIPS was demonstrated at the joint UNECE/ILO Expert Group meeting on CPI in May 2010. At the Expert Group meeting on CPI in May 2012 a special session was devoted to PIPS. This session was attended by some 20 countries (including countries from Africa, Europe, Central Asia, the Pacific and South America) and several countries showed interest in PIPS.

The IWGPS recognized the usefulness of the PIPS to statistically less developed countries and other countries that may benefit from the system, and supported further development and use of the system. The IWGPS also recognized the need of one (or more) institutions taking ownership of the PIPS to ensure that the system will be maintained and updated in the future. Most statistical offices will only implement software if it can be expected to be maintained and if user support is available.

The cost for updating and maintaining the PIPS is estimated to some 120.000 USD for immediate work and on-going support would be about 60.000 USD annually. The more urgent issue is to convert the PIPS from the current VB6 version (the classical Visual Basic) to VB.NET (Visual Basic .Net) to facilitate further developments of the system, better performance and user interfaces etc.

While none of the attending members of the IWGPS were able to provide support in kind or financially, it was agreed that the World Bank should be approached to see if they would be interested in supporting the work.

Actions points:

- UNECE to approach the World Bank to check their availability to support the work on PIPS.

10. Future work of the IWGPS

IWGPS members were requested to report in written form on relevant on-going and forthcoming activities and projects.

Actions points:

- IWGPS members to report to the Chair on relevant on-going and forthcoming activities and projects.

11. Other Business

(a) Classifications (ILO)

No special progress to report on this issue. The UN COICOP group met in order to discuss possible changes to the COICOP classification. Special attention will have to be devoted to basic headings for the PPP compilation.

(b) G20 data gaps initiative and implications for price statistics (Chair)

The Chair briefly reported on the on-going work of the G20 Data Gaps Initiative and of the Inter Agency Group on Economic and Financial Statistics, in particular the initiative to estimate a G20 CPI aggregate, the intention to launch the establishment of a Data Structure Definition (DSD) for Price Statistics and the work related to Housing Statistics (common template and data collection).

Some members highlighted the need to link the price statistics DSD to the National Accounts DSD and to consider the International Comparison Programme coding lists.

On the G20 CPI initiative, attention has been brought on the use of consumption weights expressed in purchasing power parities.

(c) Report to the UNSC (Chair)

The Chair briefly informed the IWGPS members about the plans for the preparation of the IWGPS report to be prepared for the UNSC in February 2013.

Actions points:

- IWGPS Chair to prepare the report to the UNSC; IWGPS members to provide possible input to the report.

(d) Next meeting of the IWGPS (Chair)

The IWGPS agreed to tentatively hold the next meeting of the IWGPS via video/telephone conference in autumn 2012. The IWGPS agreed also to have a meeting aside the meeting of the Ottawa Group meeting in Copenhagen, on 1-3 May 2013.

Actions points:

- IWGPS Chair to call the meeting(s) of the IWGPS and to circulate the related agenda(s).

Annex I: Agenda

IWGPS | Inter-secretariat Working Group on Price Statistics

Inter-secretariat Working Group on Price Statistics Meeting, 1 June 2012 Agenda

No.	Items	Responsible person/organisation
0.	Approval of the agenda – Approval of the minutes of the previous IWGPS meeting <i>The IWGPS is called to approve the agenda of the meeting and the minutes of the previous meeting held via teleconference on 17 January 2012.</i>	Chair
1.	Residential Property Price Indices <i>Eurostat will inform the IWGPS about the progress towards the release of the RPPI Handbook and the next steps forward (technical guidelines).</i>	Eurostat
2.	Commercial Property Price Indices <i>Report from CPPI conference held in May 2012 and launching of the project for the compilation of the CPPI Handbook.</i>	Eurostat, IMF, ECB, BIS, OECD
3.	Coordination of technical assistance and training – Price experts <i>On the basis of the documents circulated by IMF, UNECE and ILO, discussion on how to enhance in a light way the coordination of technical assistance and training in the field of price statistics. Discussion about initiatives and availability of price experts.</i>	IMF, UNECE, ILO, Eurostat
4.	Review of the CPI Manual <i>First discussion about a possible review of the CPI Manual in the light of the developments in consumer price statistics over the past ten years and of the SNA 2008.</i>	E. Diewert, IWGPS members
5.	UNECE/ILO expert meeting – Geneva 30 May – 1 June 2012 <i>Ex-post analysis of the UNECE/ILO expert meeting.</i>	UNECE/ILO
6.	Ottawa Group <i>Information about the follow-up of the 2011 Ottawa Group (New Zealand) and preparation towards the 2013 meeting (Denmark). Other related issues.</i>	Ottawa Group steering group
7.	Coordination of activities related to price statistics <i>Follow-up of the initial brainstorming on how to enhance the coordination of the activities related to price statistics as well as among the involved</i>	Chair

	<i>groups (IWGPS, Ottawa Group, UNECE/ILO CPI meetings, links to the Voorburg Group, ...)</i>	
8.	<p>Membership of the IWGPS and attendance to the meetings</p> <p><i>Recall of the IWGPS Terms of reference and brainstorming on streamlining the attendance to the IWGPS meeting (open participation from interested and committed organisations, chairs of advisory groups, experts, academia and international organisations).</i></p>	Chair, IWGPS members
9.	<p>PIPS – Price Statistics Processor Software</p> <p><i>Discussion on the possibility of future support to the PIPS.</i></p>	UNECE
10.	<p>Future work of the IWGPS</p> <p><i>IWGPS members will report on relevant ongoing and forthcoming activities and projects.</i></p>	IWGPS members
11.	<p>AOB</p> <ul style="list-style-type: none"> - <i>classifications – follow-up (ILO)</i> - <i>G20 data gaps initiative and implications for price statistics (Chair)</i> - <i>report to the UNSC (Chair)</i> - <i>next meeting of the IWGPS (Chair)</i> - <i>other</i> 	Chair, IWGPS members