

17th Meeting of the

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

26 September 2013

Teleconference

Minutes

Inters-secretariat Working Group on Price Statistics

17th Meeting, 26 September 2013

From 15:30 to 17:30 (CET)

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Draft Version 14 November 2013

Attendance

Institutional members

Roberto Barcellan

Eurostat - Chair

Jarko Pasanen

Valentina Stoevska

International Labour Organisation

Mick Silver

International Monetary Fund

Peter Van De Ven

Organisation for Economic Co-operation
and Development

Anne Sophie Fraisse

Carsten Boldsen

United Nations Economic Commission for
Europe

Not attended by: World Bank.

0. Approval of the agenda

The participants approved the proposed agenda and the minutes of the 16th meeting of the IWGPS held on 11 July. The participants agreed to publish the minutes on the IWGPS website, including the minutes of the 14th and the 15th meeting of the IWGPS, as distributed by the Chair in July and taking into account the comments provided by members and observers that attended the meetings.

Action points

- Chair to provide the final minutes of the 14th and the 15th meeting of the IWGPS to ILO for publication on the IWGPS website.
- ILO to publish the minutes of the 16th meeting on the IWGPS website.
- ILO to publish the minutes of the 14th and the 15th meeting on the IWGPS website once provided by the Chair.

1. Review of the CPI Manual

The IWGPS members continued the in-depth discussion on the strategy for the review of the CPI manual, as follow-up of the discussion started at the 16th meeting of the IWGPS.

Following the exchange of opinions and proposed actions after the 16th meeting of the IWGPS, the participants agreed with the proposal to devote more time to the preparatory phase for the review of the CPI Manual. The original proposal to present an issues paper to the 2014 UNSC meeting (February 2014) was discarded at the beginning of September 2013 in favour of a more in-depth preparatory phase centred on a broader consultation of countries, international organisations and experts aimed at defining the scope and strategy of the revision project.

The IWGPS members agreed to use as a starting point for the further elaboration of the strategy the issues note prepared by UNECE as revised to take into account the comments provided by members during summer 2013 and during the 16th and 17th meeting of the IWGPS. In particular, the latter relates to the following:

- The IWGPS members recognised that there is not an urgent need to accelerate the revision process and that devoting more time to the preparatory phase will facilitate the clarification of the scope and aim of the revision. The additional time will help to clarify and build consensus on the scope and extent of the revision.
- The broad consensus achieved on the occasion of the 16th IWGPS meeting on the targets of the revision project was confirmed for discussion with other stakeholders: the revised version should be more condensed; it should follow a more prescriptive approach in well identified areas; less attention should be devoted to purely methodological aspects (to be included only if necessary for the understanding of the prescriptions); the language, style and format should be adapted to the target audience; the target audience should be clearly identified.
- The IWGPS should take the lead in the revision project and take care of liaising with all stakeholders (countries, users, experts). The proposal for the Terms of Reference (TOR) of the project should be the outcome of the joint and coordinated approach of the members of the IWGPS and take into account stakeholders views.
- The UNECE/ILO meeting of CPI experts in May 2014 will offer the opportunity for an in-depth discussion with stakeholders on the scope and terms of the revision. The revised issues paper should be the input for facilitating the discussion at the meeting.

The discussion in the UNECE/ILO meeting should not have the character of a brainstorming, but should be used as an occasion to build consensus on the project as proposed by the IWGPS, and to operationalize it. A dedicated session of half a day could serve this purpose.

- A consultation of countries (constituencies of the various international organisations) in advance of the UNECE/ILO meeting would be appropriate, provided it is well structured (a written consultation was deemed as appropriate, notably to collect input on the expectations of countries on the revised manual). Furthermore, the IWGPS will have to build an appropriate communication strategy to build consensus among stakeholders on the revision process and on the objectives and contents of the Manual.
- A roadmap for the preparation towards the UNECE/ILO meeting should be based on: a couple of rounds among the IWGPS members to finalise the basis of the project (conceptual note/TOR) – target deadline January 2014; launching of the consultation of countries – target deadline February-March 2014; revised proposal, taking into account the consultation of the countries – target deadline mid-April 2014; in-depth discussion at the UNECE/ILO meeting – May 2014.

Action points

- UNECE to refine the issues paper in line with the outcomes of the IWGPS discussion.
- IWGPS members to reflect on the contents of the countries' consultation and to make proposal in this regard.
- The IWGPS Chair to call a follow-up IWGPS meeting in November 2013.

2. Launching the work on a Data Structure Definition for price statistics

The Chair introduced the agenda item on how and when to start the discussion for setting-up a global Data Structure Definition for price statistics. The recent developments at international level (G20 Data Gaps Initiative, work on the common template for real estate price statistics, the need to foster harmonisation of price statistics) call for the establishment of a Data Structure Definition (DSD) for price statistics – covering in particular consumer price statistics and real estate prices.

In this context, OECD reported on the work of the SDMX steering group for National Accounts (OECD, Eurostat and ECB) in setting-up a NA DSD fully SDMX compatible (technical and contents development). The approach followed in this statistical domain consisted of a technical group and a steering group with representation from international organisations. After the design of the DSDs, countries were consulted on two occasions. The NA formula proved to be quite successful and would also represent a good working approach for price statistics (three/four leading organisations informing the other stakeholders and consulting countries later).

The IWGPS members agreed on the relevance of setting-up a DSD for price statistics; some members highlighted the difficulties, notably for countries, to agree and implement SDMX standards. OECD highlighted how a similar situation in NA and Balance of Payments was successfully approached by taking into account the existing code lists and appropriately merging them. The creation of a steering group composed of international organisations proved to be a key factor for the success of the initiative in NA and BoP.

The IWGPS agreed on the need to define the scope of the foreseen DSD for prices (decide which prices should be covered: CPIs, real estate prices, PPIs, ...). Technical actors/price

experts in the potentially involved organisations should prepare an issues note on the project. The issues note should be discussed in one of the forthcoming meetings of the IWGPS. Subsequently, it could be presented to the SDMX sponsors. Eurostat volunteered to draft the issues note.

Action points:

- Eurostat to draft an issues note on the project to design a global DSD for price statistics.

3. Enhancing international comparability of CPIs

Item postponed to a future meeting of the IWGPS.

Action points:

4. AOB

- *2013 ISI – World Statistical Congress*

Eurostat reported on the 2013 ISI Sessions devoted to issues related to price statistics, as held in Hong Kong in August 2013. Three sessions were particularly relevant:

- STS037 on “Real estate price statistics” organised by Eurostat discussed the current state of the art in this field. The recently published Handbook on Residential Property Price Indices (Eurostat, 2013 under the auspices of the IWGPS) and the forthcoming Handbook on Commercial Property Price Indicators (sponsored by Eurostat under the auspices of the IWGPS) describe the methodological reference framework for real estate price statistics. Whilst residential property price statistics are already quite advanced, in particular in Europe (regular release of House Price Indices), commercial property price statistics are still in their infancy. For these indicators, the ECB is testing an experimental index based on input from private providers (an interesting cooperation between private and official statisticians), nevertheless the methodological and practical challenges remain important (papers from IMF and CSO Ireland). The Eurostat-paper highlighted the importance of relating real estate indicators to other key macroeconomic indicators (household savings, risk exposure, etc.). Expectations are attached to the on-going G20 Data Gaps Initiative that aims at fostering the establishment of the methodological framework and enhancing the compilation of real estate price statistics. The number of participants showed that there was considerable interest in these topics.
- STS081 on “Measuring domestic and international inflation”, organised by the Irving Fisher Committee, highlighted different aspects regarding the measurement of inflation: how to measure core inflation; experiences in measuring inflation along production chains (price shocks from commodity to consumer prices); and experiences in measuring inflation expectations. Inflation continues to be a key target economic variable that generates a lot of interest among official statisticians and economic actors, notably central banks. The topics discussed and the dynamics brought in this statistical area

by technological advancements and private producers of price indices call for further methodological developments, very much in line with several initiatives under the umbrella of and sponsored by the IWGPS.

- IPS043 on “Measuring the real size of the world economy: Methodological and quality improvements of the International Comparison Program” reported on the progress achieved towards the implementation and the release of the results the ICP 2011 round (expected by December 2013).

- *2014 UNECE/ILO meeting of CPI experts*

UNECE reported on the preparation of the 2014 UNECE/ILO meeting of CPI experts in Geneva (26-28 May 2014), in particular on the commitment by national experts in relation to the dedicated workshops. Invitation letters will be issued in November/December 2013. UNECE confirmed the proposal for having a one-day meeting of the IWGPS on 29 May 2014.

- *First release of the G20 CPI release*

OECD reported on the preparation phase for the release of the G20 CPI in the context of the G20 Data Gaps Initiative (G20 DGI). A joint contemporaneous release by OECD, Eurostat, ECB and IMF was foreseen on Monday 14 October 2013. The process was proceeding towards the finalisation with an advanced mock-up and an almost agreed technical note (quite detailed to take note of the differences between measures of CPI in the G20 countries – 25 pages vs. 5 pages for the G20 GDP). The G20 CPI is a weighted average of the CPIs of the G20 (HICP for European countries, Turkey and EU). Its calculation follows the normal regional computation applied by OECD.

- *Global forum for consumer price statisticians*

The Chair highlighted how, in relation to some initiatives supported by the IWGPS (e.g. G20 CPI, DSD for price statistics, common template for residential property price indices), the lack of a global forum for price statistics involving countries is limiting the endorsement of key initiatives in this field. ILO stressed that its constituency covers all countries; UNECE covers all countries members of the Conference of European Statisticians; OECD does not have a specific dedicated forum where price statistics are discussed, for this reason, they envisage to ask to OECD countries to appoint a price reference person to facilitate the communication and contacts on price related initiatives; IMF does not have a dedicated forum for price statistics, but an extensive network of regionally-based training and technical assistance (TA) centers; Eurostat has a working group dedicated to price statistics. The IWGPS members agreed to further reflect on the channels to address price statisticians in the countries to get them more involved in global activities.

- *IWGPS organisational matters*

The Chair (Eurostat), following some internal organisational changes in Eurostat that will take place on 1 January 2014, raised the issue of the rotation of the Chairmanship of the IWGPS. Since the foundation of the IWGPS, in 1998, the Chair and secretariat of the Working Group rotate among the members (international organisations) - ILO chaired the IWGPS from 1998 when it was established; IMF chaired from April 2004 to February 2007; UNECE chaired from March 2007 to February 2011. Eurostat is chairing since March 2011. According to the terms of reference of the IWGPS, as

endorsed by the UNSC in 2011, no rules on the rotation timetable are established. Following the proposal of the Chair and the availability of OECD, the IWGPS endorsed the proposal of having the OECD as next Chair, starting in March 2014.

- *Commercial Property Price Indicators Handbook*

Eurostat reported on the progress in relation to the project for the compilation of the CPPI Handbook. The international team in charge of compiling the Handbook is progressing towards the release of the first draft of the chapters scheduled by end 2013. On this occasion, Eurostat will open a dedicated web-forum to allow interested parts to comment on the draft chapters and to share relevant information in this statistical area. IMF highlighted the fact that the CPPI Handbook will have to be most probably less prescriptive than the RPPI Handbook due to the complexity of this statistical domain.

- *Residential Property Price Indices Handbook*

IMF informed the IWGPS members about the on-going work to translate the RPPI Handbook in French and Spanish.

- *International Comparison Programme*

The Chair briefly reported on the finalisation and publication plans for the release of the 2011 ICP round results (expected release in December 2013).

Action points:

Next meeting of the IWGPS: November - teleconference

Annex I: Agenda

IWGPS | Inter-secretariat Working Group on Price Statistics

Inter-secretariat Working Group on Price Statistics Meeting, 26 September 2013 Agenda

No.	Items	Responsible person/organisation
0.	Approval of the agenda and minutes of previous meeting <i>The IWGPS is called to approve the agenda of the meeting and the minutes of the previous meeting.</i>	Chair
1.	Review of the CPI Manual <i>Follow-up of the discussion on the review of the CPI Manual – coordination of next steps</i>	IWGPS members
2.	Launching the work on a Data Structure Definition for price statistics <i>First discussion on how and when starting the discussion for setting-up a global Data Structure Definition for price statistics.</i>	Eurostat
3.	Enhancing international comparability of CPIs <i>Brainstorming on how to enhance and promote the international comparability of CPIs in the light of international activities such as the G-20 Data Gaps Initiative.</i>	IWGPS members
4.	AOB <ul style="list-style-type: none">- 2013 ISI – World Statistical Congress (IWGPS members)- CPI Expert Group meeting May 2014 (UNECE/ILO)- G20 CPI (OECD)- IWGPS organisational matters(Chairman)	IWGPS members