

# INTER-SECRETARIAT WORKING GROUP ON PRICE STATISTICS

25TH MEETING, 13 FEBRUARY 2017

TELECONFERENCE

MINUTES

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## Attendance - Institutional members

Peter van de Ven (Chair Anne Sophie Fraisse Joong Kwon Bang Elena Van Eck	Organisation for Economic Co-operation and Development
Joachim Recktenwald Jens Merhoff Jarko Pasanen	Eurostat
Valentina Stoevska	International Labour Organisation
Brian Graf Niall O'Hanlon	International Monetary Fund
Carsten Boldsen	United Nations Economic Commission for Europe
Nada Hamadeh	World Bank

## Attendance – IOs invited

Martin Eiglsperger Andrew Kanutin Stanimira Kosekova	European Central Bank
Robert Szemere	Bank of International Settlements

## 1 Way forward regarding RPPIS and CPPIs

***The OECD and the BIS reported on the way forward regarding RPPI and CPPI data collection; Eurostat gave an update on the Working paper on CPPI.***

- Collection of RPPI data: The OECD gave a short presentation of the first draft of the *Template on house prices and housing related indicators*, in order to start the discussion on the template and the way forward in developing an action plan for further enhancement of data on RPPIs and related housing indicators. The template has been sent to the IWGPS members on February 9<sup>th</sup> for comments.

### **Conclusions and Action points on RPPI:**

- ☞ IWGPS members' comments on the *Template* are expected by March 17<sup>th</sup>.
- ☞ IWGPS members agreed on the organisation of an audio-conference to discuss and finalise the *Template*. The goal is to reach an agreement on the *Template* by early June 2017 at the latest, so that it can be presented to the Global Conference on the G-20 Data Gaps Initiative (Washington DC, 14 – 15 June).

- Collection of CPPI data: the BIS informed IWGPS on the start of CPPI data collection from countries that already compile CPPIs. The publication of CPPI data (nominal), including a short methodological introduction, started in September 2016. Currently, data are available for the following countries: Denmark (quarterly data), Euro area (quarterly), Germany (annual), Greece (half-yearly), Hong Kong (monthly), Indonesia (quarterly), Iceland (quarterly), Japan (quarterly), Korea (monthly), Philippines (quarterly), Poland (annual), Singapore (quarterly), United-States (quarterly); they are updated once a month though most of the series have lower frequencies. The next release of February 2017 will contain Brazilian data (monthly and quarterly) for the first time. The time series are transmitted by the Central Bank of Brazil but compiled by private sources. Additionally, data transmission for Saudi Arabia will start in the coming months. The series are compiled by the Statistical Office. The link to the BIS CPPI page is [https://www.bis.org/statistics/pp\\_commercial.htm?m=6%7C288%7C646](https://www.bis.org/statistics/pp_commercial.htm?m=6%7C288%7C646).
- Working paper “Commercial Property Price Indicators – Sources, Methods and Issues”: Eurostat informed the Group that the publication of the working paper is delayed. The reason is that other CPPI-related work had to be prioritized (Following a recommendation on real estate data gaps by the European Systemic Risk Board, Eurostat and ECB have to set up and lead a group to do a stock-taking exercise on CPPI and related indicators in the EU.) As a consequence, the working paper is expected to be published only towards the end of 2017. Chapter 4 on concepts has to be re-drafted to include the agreed building blocks for a definition of commercial property. The rest of the working paper is the version as reviewed by Mick Silver and Niall O'Hanlon. The final draft of the working paper will be sent to IWGPS members as soon as available.

#### **Conclusion and Action points on CPPI:**

- ☞ BIS continues collection of CPPI data with the goal of extending countries coverage.
- ☞ ECB will keep the IWGPS informed about the state of the progress in data collection conducted by the ECB.
- ☞ Eurostat informed that there is some delay for the publication of the working paper. It is however expected to be published by the end of 2017.
- ☞ IWGPS members agreed on the need to discuss, in the course of 2017, how to move forward with the drafting of guidelines for the compilation of CPPIs. For the time being, the working paper is considered as an excellent starting point to support countries in compiling CPPIs.

## **2 Report to the UN Statistical Commission**

- ***The chair reported to the IWGPS on the Report of the IWGPS presented to the UN Statistical Commission:***
  - The Chair briefly informed the participants on the Report of the IWGPS to the UN Statistical Commission (UNSC).
  - For the time being, the chair did not receive any feedback from the meeting. He also wondered about the way forward when it comes to the interaction with the UNSC.

#### **Conclusions and Action points:**

- ☞ Chair to inform IWGPS members on feedback from UNSC.
- ☞ IWGPS members agreed that the IWGPS should consider providing a more active interaction with the UNSC.

## **3 Progress of the update of the CPI Manual**

- ***The IMF reported to the IWGPS on the progress of the update of the CPI manual:***

- As a reminder, there was general agreement on the splitting of the CPI Manual in two volumes, one volume dealing with the practical guidance, and the other volume focusing on the theoretical considerations. In relation to the former volume, it was also agreed to merge the relevant part of the CPI Manual with the existing UNECE Practical Guide to Producing Consumer Price Indices.
- The IMF informed the IWGPS members that a meeting of the Technical Expert Group was held in Vienna in January 2017, where issues regarding the format, various key issues and recommendations for the first volume were discussed.
- The time table is currently as follows: (i) A six weeks' period of consultation for all chapters of Volume I and II (even for those for which minor changes have been made) will be organised as they are completed with the objective to have all chapters reviewed by end of 2017; and (ii) A final draft of the updated Manual is expected for the first quarter of 2018.
- IWGPS members raised several issues concerning the update process of the CPI Manual, in particular on how the consultation of countries will be organised, how the HICP methodological experience will be integrated, etc.

### **Conclusions and Action points**

- ☞ The chair thanked the IMF for taking the lead on the update of the CPI Manual.
- ☞ The IMF will make available chapters on a rolling basis for country consultation in the course of March-May 2017.
- ☞ IWGPS members agreed that Eurostat will update the annex on the HICP, and that the World Bank will take care of the relevant text on PPPs.
- ☞ IWGPS members agreed on the need to consider how to deal with the UN Statistical Commission for the endorsement of the updated CPI Manual.

## **4 Progress on the development of DSDs for price statistics**

### **• *The OECD reported to the IWGPS on the development of DSDs for price statistics:***

- The OECD informed about the latest development and progress regarding the design of a global DSD for CPI/HICP. The OECD informed IWGPS members that the Ownership Group SDMX-MES would be consulted shortly regarding one unresolved issue related to the representation of the Base Period in the model of the DSD. [In the meantime, this has been done, and the Ownership Group agreed on the way forward in the pilot.]

## **5 Synergies between CPI and PPP**

### **• *The World Bank reported to the IWGPS on initiative to improve synergies between CPI and PPP:***

- The World Bank informed IWGPS members of the United Nations Statistical Commission recommendation to increase synergies between CPIs and PPPs, and to promote the integration of survey activities. They noted that the research agenda of the International Comparison Program (ICP), which is currently being formulated by the ICP Technical Advisory Group, will include an item on the synergies between CPIs and PPPs. Consequently, the World Bank plans the launch of a Task Force involving experts and countries to formulate concrete guidance to countries.
- The chair supported the creation of the Task Force very much, because the further alignment may solve some of the issues regarding divergences between the developments of CPIs and PPPs (or at least provide more detailed background information on the divergences).
- Eurostat highlighted that experiences from EU countries on synergies is not straightforward.
- IMF also supported the initiative, but highlighted that synergies should not under any circumstance have a negative impact on the quality of CPIs.

### **Conclusions and Action points**

- ☞ IWGPS members supported the World Bank initiative to launch a Task Force on synergies between CPIs and PPPs.
- ☞ The World Bank will take the lead on this project, within the governance framework of the ICP.
- ☞ The World Bank will circulate the Terms of Reference of the Task Force to the IWGPS, and solicit nominations for Task Force members.

## **6 Ottawa Group meeting**

- ***A member of the Steering Committee reported to IWGPS members on the organisation of the 15th Ottawa Group (9-12 May 2017, Eltville, Germany):***
  - The agenda of the 15th meeting will focus on two main topics: house prices and Big Data/scanner data.
  - About new data sources for compiling price indices (e.g. scanner data) all IWGPS members acknowledged that the development of further guidance on the use of scanner data is to be considered as a high priority. In this respect, Eurostat highlighted the issue of how to integrate the use of scanner data in the CPI manual, given there is no agreed practice. They also informed the group that in the process of drafting the new HICP manual, a draft recommendation on how to collect and use scanner data is being developed. Eurostat is willing to share views at the end of the process. The IMF recognised that the integration of scanner data in the CPI Manual is a concern. The collection and the use of scanner data could be discussed in an annex. This issue is still under discussion.

### **Conclusions and Action points**

- ☞ The Technical Expert Group of the CPI manual (represented by IMF) agreed to take into consideration the issues related to scanner data.

## **7 Set up of a UNECE Steering Group on CPI and other CES-related issues**

- ***The UNECE reported to IWGPS members on the establishment of a Steering Group on CPI***
  - The UNECE informed the IWGPS members that the CES Bureau has agreed, in February 2017, to establish a Steering Group to guide the work of the CES/UNECE in the area of CPI statistics. The Group will be chaired by the United Kingdom.

### **Conclusions and Action points**

- ☞ The UNECE will circulate the Terms of Reference of the Steering Group by March 2017.
- ☞ The UNECE will organise the first meeting (teleconference) of the Steering Group on Monday 24 April.

## **8 Any Other Business**

- **The World Bank asked for information about the revision of the COICOP Classification.** The OECD provided information on the time-table, as follows:
  - 4-6 April 2017: meeting held in New York;
  - September 2017: Report to the expert Group on International Statistical Classifications;
  - Mid-March 2018: revised COICOP will be presented to the UN Statistical commission for endorsement.

- To close the IWGPS meeting, all IWGPS members agreed to hand over the chair of the IWGPS to the World Bank.