

**Report of the 9th meeting in the
Intersecretariat Working Group on Price Statistics
7 May 2008, at 19.00, UNECE, Geneva**

Participants:

Valentina Stoevska (ILO), Paul Schreyer and Anne-Sophie Fraisse (OECD), Alexandre Makaronidis and Keith Hayes (Eurostat), Carsten Boldsen Hansen (UNECE), David Fenwick and Pam Davis (ONS), Erwin Diewert (University of British Columbia, Canada) and Paul van den Berg, BIS. Kim Zieschang and Mick Silver (IMF) attended the meeting through telephone connection.

Yuri Dikhanov (World Bank), Corrine Becker (Federal Statistical Office, Switzerland) Walter Lane (BLS), Peter Hill (UK), Bert Balk (Erasmus University, Statistics Netherlands), Tarek Harchaoui (statistics Canada), Keith Woolford (ABS) and Paul Armknecht (USA) did not attend the meeting.

Agenda

1. Approval of the agenda
2. A Handbook on house price indices
3. The Supplementary Handbook on CPIs
4. The new XMPI Manual
5. The revision of the CPI Manual and report on the CPI Manual survey
6. The revision of the PPI Manual
7. Core inflation; the possibility of having a practical/supplementary handbook
8. International work and meetings:
 - a) The Ottawa Group
 - b) The joint UNECE/ILO
 - c) Other activities?
9. Next meeting of the IWGPS – where and when?
10. Other business

1. Approval of the agenda

The agenda was approved.

2. A Handbook on house price indices (HPIs)

In February 2008 **OECD** informed the IWGPS that because of changed priorities they could not undertake the drafting of a handbook on house price indices. After consultations **Eurostat** offered to lead the work on a house price index handbook and provided a detailed offer that was circulated to the IWGPS members before the meeting. The paper from Eurostat addresses the expected scope of the handbook and includes a brief timetable, arrangements for discussing and quality assuring the work and a draft outline of the content of the handbook, as was requested by the IWGPS on its meeting in Ottawa in October 2007.

The **IWGPS** welcomed the offer of Eurostat to draft the handbook.

Eurostat explained, as stated in the provided paper, that they expect to contract an expert or team of experts to carry out the main work on the handbook. The aim is to have the contract in place in autumn 2008. The draft handbook should be delivered by the contractor by autumn 2010. The handbook should therefore be ready for approval by the IWGPS around the end of 2010.

Eurostat will appoint the contractor. The contractual relationship would be between Eurostat and the contractor. IWGPS would have no say in the decision on which contractor is awarded the work. Eurostat alone has responsibility for the quality of any work it commissions.

The expert or team of experts should have a high level of experience and expertise in the methodology and calculation of HPIs, CPIs or other price statistics. The IWGPS had been invited to comment on the criteria to be used for selecting the expert or experts.

The **IWGPS** agreed to the conditions and underlined the need of having experienced and qualified experts undertaking the work. Concrete suggestions for the selection criteria can be forwarded to Eurostat.

In the discussion the **BIS** said that also many private partners are involved in statistics on housing, and **IMF** underlined the importance of data sources.

UNECE and **ILO** said that the primary target group of the handbook should be index compilers in NSOs, and underlined the need of the handbook to address practical problems and solutions. They also stressed the need of the handbook to address issues and problems that are relevant and important to developing countries and countries with transition economies.

OECD will provide the material that was produced in the preparation of a handbook on house price index.

Eurostat plans to establish a Steering Group to oversee the project, which would be expected to meet regularly. Eurostat will invite a representative from one (or more) EU NSOs and a user representative. **IWGPS** might also be represented.

BIS offered to organize a kick-off meeting where also national experts and other organisations could be invited. This was much welcomed by the IWGPS.

Concrete proposals should be sent to **Eurostat/Keith Hays** within two weeks, with copies to the IWGPS members.

3. The Supplementary Handbook on CPIs

The joint UNECE/ILO meeting 7 May for transition and developing countries was attended by around 50 participants. It focused on discussions of the practical chapters of the CPI Manual and the corresponding draft chapters of the supplementary handbook, which are now available on www.unece.org/stats/documents/2008.05.cpi2.htm. During the meeting numerous points and suggestions were made that will be taken into account when finalising the draft chapters.

ONS explained that the final draft is expected to be ready by the end of 2008. **UNECE** will publish the handbook, which will be made available for free. **ILO** will investigate the possibility to translate the handbook into French. On possible promotion activities, for example in the form of arranging a regional meeting in Africa, **BIS** said that they would be ready to consider the possibility to support such activities.

A CPI workshop on the ISI meeting in Durban, South Africa in 2009 was mentioned as a possibility to promote the CPI handbook. This was being pursued by **David Fenwick** and will depend on funding.

4. The new XMPI Manual

Before the meeting **IMF** had circulated a paper with a status of the work on the XMPI Manual. The draft chapters are expected to be ready for the editor/publisher around June this year.

In the circulated paper **IMF** also raised a number of issues where the IWGPS was invited to comment. After some discussion the proposals in the IMF paper was agreed. Further and more detailed comments should be sent to **IMF/Mick** *asap*. **IMF/Mick** promised to circulate a further paper on XMPI issues to the IWGPS for comments. The draft XMPI Manual chapters are available from www.imf.org/external/np/sta/tegeipi/

5. The revision of the CPI Manual and report on the CPI Manual survey

ILO reported on the status of the work with revision of the electronic version of the CPI Manual and provided a table showing the status of each chapter.

A draft report of the CPI Manual survey undertaken in 2007 was distributed to the participants in the CPI meeting 7 May and would also be distributed to participants in the joint CPI meeting 8-9 May. Members of the IWGPS are invited to provide comments to **ILO/Valentina** before end of May. The report will then be made available from the web.

IMF informed that the CPI Manual is now available also in Chinese.

6. The revision of the PPI Manual

Because of other priorities, e.g. the XMPI Manual, no work on revision of the PPI Manual has been undertaken.

7. Core inflation handbook

The possible development of the IMF working paper on core inflation measurement to a practical/supplementary handbook has been postponed because of other priorities. **Eurostat** reserved their support for a Handbook on core inflation, while being in favour of research and articles, and would need to discuss further the issues with HICP users. However, the **IWGPS** should come back to the issue.

8. International work and meetings

Next meeting in the **Ottawa Group** is scheduled to take place in Neuchatel, Switzerland, in the end of May 2009.

The next **joint UNECE/ILO meeting on CPIs** is expected to take place in 2010, subject to the approval by the Bureau of the CES.

The need to improve coordination of work between the **Joint CPI meetings**, the **Ottawa**

Group and the **IWGPS** was recognized at the previous IWGPS meeting. Since then it has been decided to change the frequency of the Ottawa Group meetings to every second year to be inter-changed with the Joint UNECE/ILO meetings. The interchanging of the meetings aims to make the scheduling of work easier and facilitate better integration of the two forums. The agenda of the two meetings will be coordinated to exploit synergies, so that issues discussed in the Ottawa Group can be followed up on the Joint CPI meetings, and discussions in the Joint CPI meetings should form input to the Ottawa Group meetings.

To ensure the coordination, mutual representation has been established between the Organising Committee of the Joint CPI meeting, the Steering Group of the Ottawa Group and the IWGPS.

9. Next meeting of the IWGPS – where and when?

No decision was taken on a future meeting; one possibility may be to have it back-to-back with the Ottawa Group meeting in May 2009. Until the next meeting discussions will take place through e-mails. If there is a need, the UNECE can organize a teleconference.

10. Other business

The **IWGPS** website (www.ilo.org/public/english/bureau/stat/guides/cpi/index.htm) has been updated as agreed on the previous IWGPS meeting, and now contains the terms of reference, report of meetings, reports to the UNSC and a list of members.

A new ICP round in 2011 seems to have been agreed, although the financial support is not yet secured.