

Minutes of the 5th TEG-CPI meeting Geneva, 31 October 2001

The meeting was chaired by Mr. D. Fenwick and attended by: Mr. P. Hill, Mr. J. Astin (Eurostat), Mr. K. Zieschang (IMF), Mr. P. Armknecht (IMF), Mr. B. Balk (Netherlands), Mr. J. Greenlees (USA), Mr. M. Silver (IMF/University of Cardiff), Mr. C. Boldsen-Hansen (Denmark), Mr. T. Griffin (UK), Mr. E. Diewert (Canada), Mr. Y. Finkel (Israel), Mr. P. Haschka (Austria), Ms. V. Stoevska, Ms. M-T. Dupre, Mr. R.J. Pember and Mr. S. Young (all ILO), Ms. L. Bratanova, Mr. J. Karlsson and Mr. M. Pesut (all UNECE).

The provisional agenda was adopted.

The meeting started without several participants who were attending the ILO meeting that morning. In their absence, it was agreed that, until they join the meeting, present participants would exchange some information.

In view of the forthcoming draft Resolution by the ILO Conference of Labour Statisticians expected to be adopted in 2003, a question was raised about the **relationship between the resolution and the revised Manual**. As the Manual would precede the Resolution, it would be **useful to keep a close link between drafting of the resolution and the Manual**. It was felt that **TEG-CPI should provide a substantial input to the drafting of the Resolution, and that the group should continue functioning until the resolution is passed in 2003 to ensure consistency between the Manual and the Resolution**. It was further noted that in this case, TEG-CPI would provide technical support for drafting the new Resolution and ensure coherence of text in both documents. It was also felt that **TEG-CPI should continue revising the manual and maintain its function once the manual is completed** in a similar fashion as the Intersecretariat Working Group on National Accounts does it for the SNA.

K. Zieschang reported on progress in work on PPI Manual. He informed the group about discussion in TEG-PPI concerning the structure of the PPI Manual and possible reversing of the order of chapters in PPI, as well as ideas about producing single volume Manual instead of the two parts publication. However, emphasis and the intention to give weight to electronic publication would make such concerns less relevant.

TEG-CPI reaffirmed that the CPI Manual should be published in 2 stand-alone documents, in the existing order of chapters, and that it should be simultaneously made available in electronic format. Subsequent feedback also indicated that users supported the current structure.

Mr. P.Hill then suggested that the TEG-CPI should convene another meeting (2-3 days) where substantive content of all chapters and the Manual as the whole should be discussed. **It was agreed that such a two-day meeting would be necessary and that it could take place in the week of 18 March 2002 (in Luxembourg).** [**Note: agreement was reached subsequently that ONS of the United Kingdom would host the next meeting on a mutually agreeable date in March.**] Until that time, smaller groups (2-3) could, through e-mail, work on particular chapters that still need final agreement. **The meeting of the whole group would then review the overall content and pending substantive issues, sign off completed chapters, focus and complete remaining chapters where final agreement might be necessary.**

Mr. P. Hill informed present participants about the situation regarding chapters 1-6 and plan for future work.

Chapter 1 The existing draft plus comments from the BLS will provide the final text. It may need minor amendments depending on the rest of the text that goes into the Manual.

Chapter 2 Also might require very minor editing following the TEG-CPI meeting.

Chapters 3-6 Text in these chapters related to corresponding chapters in the PPI Manual. Might require summary and explanations what is in chapters and what is relevant to CPI. It was agreed that **M. Silver** will draft summaries for chapters 3 and 4 and **P. Hill** for chapter 5. **P. Hill** will then edit these summaries and integrate them in chapter 10. It was further agreed that chapters 3, 4 and 5 would have introductory section (3-5 pages each) that could be again used in introduction to Part II of the Manual. With summaries, and some editorial work these chapters could be quickly finished.

After remaining TEG-CPI member joined the group, discussion focused on remaining problematic chapters.

Chapter 4 Authors were asked to split chapter in two separate chapters mainly for presentational purposes, where one chapter would deal with individual cases and the other with aggregation issues.

Chapters 7 and 8 **M. Silver** will draft chapter 7 and **E. Diewert** will draft chapter 8. Each author will referee the text of the other one. **B. Balk** also will referee chapter 8, and if necessary provide input. Draft text for both chapters is expected to be completed by the **end of 2001**. A short summary prepared by authors of both chapters, will be integrated in the chapter 10 of the part II of the Manual. (It was also suggested to move Annex from chapter 15 to chapter 7 and provide the necessary reference between two chapters.)

Chapter 9 **K. Zieschang** will slightly amend the text and prepare a short summary for part II of the Manual (chapter 10).

Chapter 10 **B.Balk** will referee this chapter.

Chapter 11 **F. Maitland-Smith** will be asked to elaborate the section on classifications. Section (J) should be slightly expanded and cross-referenced to documentation on COICOP, guidance should be given on how to break down classes focusing on logic and clusters within COICOP. The group agreed that the message should be that COICOP is treated as an international norm and used as standard for international purposes. However, different countries classify things differently from international standards. It might be helpful and necessary to include references to other systems used for example in the UK and the USA.

Chapters 12 and 13 Not discussed as no major amendments required.

Chapter 14 Requires some slimming down of the text and the change of style/another revision from presentational point of view. A summary and concrete examples might need to be added. **M. Silver** will decide the ordering of chapters 14 and 15.

Chapter 16 It was agreed that **C Boldsen-Hansen** would look at this chapter and try to make it more step-by-step guide including concrete calculations. Other members of TEG-CPI from NSOs (**D. Fenwick, Y. Finkel, P. Haschka, B.Balk**) and **K. Zieschang** will review the new draft. It was also agreed that this chapter would be moved after chapter 19 and become chapter 20.

Chapters 17-18 Another look will be necessary whether they need revision after moving chapter 16.

- Chapter 19 After somewhat lengthy discussion the group agreed that chapter should focus on products raising genuine difficulties. The chapter would have generic titles (disappearing products, clothing, housing, insurance, etc.). It was agreed that **M.Silver and E Diewert** would finalize and complete draft of this chapter by the end of January 2002 using as follows:
- owner occupied housing – text written by C. Boldsen-Hansen
 - clothing (seasonality, quality adjustment) – text written by P.Armknecht and F. Maitland-Smith
 - bundling of goods and services (mobile telephones and services) - text written for Ottawa group meeting, German Statistical Office (E.Diewert)
 - Insurance - HICP (property and casualty) J Astin to provide material related to HICP. (E.Diewert)
 - Fees proportional to transaction prices – HICP – J.Astin to provide material to M. Silver;
 - FISIM update table given by K. Zieschang and D. Fixler at the Ottawa group meeting.
- Chapter 20 **J. Greenlees** will consolidate the material by Greenlees and D. Boon and eliminate any overlaps with chapter 12. **J. Astin, D. Fenwick and M. Silver** will review the chapter.
- Chapters 21 and 22 Not reviewed as no major changes envisaged
- Glossary P. Hill will contact authors
- Annex 1 J. Astin's text on HICP from UNECE Statistical Journal could be used with some updating. **J. Astin** will send list of EU regulations and updated text to P. Hill.
- Annex 3 The existing Resolution will be incorporated and the new one included when adopted.
- Annex 4 Previous meeting agreed no changes required.