

**The Technical Expert Group on the Producer Price Index (TEG-PPI)  
Geneva, Switzerland (November 2-3, 1999)  
Palais des Nations (Door 2, Room AR)**

**Minutes from the First Meeting**

**1. Introduction and Welcome**

In attendance were Paul Armknecht (IMF), Erwin Diewert (Univ. of British Columbia), David Freeman (UK), Irwin Gerduk (US), Jan Karlsson (ECE), Robin Lowe (Canada), and David Roberts (OECD). Kim Zieschang (IMF) attended day two of the meeting.

The members confirmed Paul Armknecht as Chair for the Group. Each member presented the views of their respective agencies about the TEG-PPI and their potential responsibilities on the group. There was general agreement that manual sections would be drafted and reviewed by the membership.

**2. Adoption of Agenda**

The preliminary agenda was adopted without change.

**3. Role of the TEG-PPI**

Jan Karlsson, who is a member of the Intersecretariate Working Group on Price Statistics (IWGPS), provided background on the need for the development of a revised manual for the PPI and the role of the TEG-PPI in this process. The IWGPS was formed by the UN Statistical Commission to oversee the development of new price statistics manuals (CPI, PPI and International Trade Price Indices) for use by all countries who compile or intend to compile these various measures of price change. The TEG-PPI will be responsible for the development of the PPI manual and coordinate the chapters with the TEG-CPI. The structure of the manuals should be the same. The final manual will be sent to the IWGPS for approval.

The members discussed and agreed that the manual is geared to present best practices and serve as a reference and training tool for price index compilers. It was noted that substantial overlap of material is expected between the PPI and CPI manuals. The two manuals will develop a common understanding of terminology and methods across programs. In this regard, some of the chapters will require only minor modification from the CPI manual, while the remaining chapters will be similar in structure but discuss topics directly relevant to the PPI. The group agreed that the chapters will be written and reviewed first by the membership. Paul Armknecht will serve as overall editor for the PPI manual but various members will serve as associate editors for specific chapters.

**4. Review of the PPI Manual Outline**

The draft outline dated September 22, 1999 was reviewed in detail by the group. There was a consensus that regular cross references were needed to alert users to similar material on techniques and methods that appear in other chapters. A number of sections and sub-sections were added (e.g., response burden and confidentiality, various types of PPI aggregations, pricing techniques, approaches to measurement, sampling techniques, etc.). A revised version of the draft PPI Outline is attached.

## **5. Method of work for completing PPI Manual chapters**

Members present volunteered as authors and co-editors for PPI manual chapters. Several members who were not able to attend the meeting had indicated in advance those chapters for which they would prefer authorship and the group suggested chapter responsibilities for several other members. The attached spreadsheet contains the preliminary assignments. For several sections on sampling and measurement error, funding will be sought to use a consultant outside the group. The IMF Statistics Department is developing a website for discussion of PPI manual topics and chapters. Hopefully, this site will be active by the end of November 1999. The group felt that the Glossary, editorial notes on format and notation for formulas should be completed as soon as possible to assure the use of common terminology and format in drafting chapters.

The group was also noted that input and comments from members of the Voorburg Group (VG) would be greatly appreciated and it would be helpful if that group agreed to make such activities part of their agenda. Since several members of the TEG-PPI are also on the VG, coordination between the groups on this matter can be facilitated.

When the final manual is produced, it will need to be printed by the IMF (possibly with support from UNSD), hopefully in multiple languages (English, French, Spanish, Russian).

## **6. Work plan**

The following schedule was agreed by the group although it was recognized that it will need to keep this under continuous review.

- *November 15, 1999:* updated outline circulated to members
- *March 15, 2000:* preliminary draft of chapters 2-7, 9, 11, 12, 15 (I)
- *May 11-12, 2000:* second TEG-PPI meeting in Voorburg to review progress and resolve issues that arose during preliminary drafting
- *August 15, 2000:* draft chapters (reviewed by assoc. editors) for above chapters; preliminary draft for remaining chapters

- *September 21-22, 2000*: third TEG-PPI meeting in Madrid (following Voorburg Group meeting) to review and discuss zero-level draft of the Manual
- *December 31, 2000*: draft PPI Manual submitted to IWGPS for comment
- *March 31, 2001*: comments received from IWGPS
- *June 30, 2001*: final manual delivered to IWGPS.

## **7. Next meeting**

The next meeting will be hosted by the Netherlands' Central Bureau of Statistics on May 11-12, 2000 in Voorburg.

The Chair thanked the group for their active and thoughtful participation and UNECE for providing the facilities for the meeting.