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Items for information: price statistics

Report of the Ottawa Group on Price Indices

Note by the Secretary-General

In accordance with Economic and Social Council decision 2015/216, the Secretary-General has the honour to transmit the report of the Ottawa Group on Price Indices, which is presented to the Statistical Commission for information. The Commission is invited to take note of this report.

* E/CN.3/2016/1.



Report of the Ottawa Group on Price Indices

I. Purpose and organization of the Ottawa Group

1. The International Working Group on Price Indices, known as the “Ottawa Group”, was formed in 1994 to provide a forum for specialist academics and practitioners to share their experiences and knowledge and discuss research on crucial problems related to the measurement of price change. While theoretical issues are covered in the discussions, the Group focuses primarily on applied research, particularly, but not exclusively, in the area of consumer price indices. The Group examines the advantages and disadvantages of various concepts, methods and procedures in the context of realistic operational environments, supported by concrete examples whenever possible. Participants are specialists and practitioners who work for or advise statistical agencies in different countries or international organizations. The Group meets every other year, alternating with the meetings of the Group of Experts on Consumer Price Indices, which are jointly organized by the Economic Commission for Europe (ECE) and the International Labour Organization (ILO).

2. The Ottawa Group has a steering committee, which ensures the continuity and evolution of the Group’s activities and coordination with other international activities on price statistics, such as the meetings of the Group of Experts on Consumer Price Indices, and the Intersecretariat Working Group on Price Statistics. The steering committee comprises representatives of national statistical offices, academics and other experts in the field of price statistics, a representative of the organizing committee for the expert meetings on consumer price indices (CPIs), a representative of the Intersecretariat Working Group, and representatives of the agencies that have recently hosted or will host meetings of the Ottawa Group. The representative of the Australian Bureau of Statistics currently serves as Executive Secretary of the Group. The membership of the steering committee is reviewed at each meeting of the Ottawa Group.

3. The meetings of the Ottawa Group are divided into sessions, each devoted to one clearly defined topic, with a designated moderator who is also responsible for producing a summary of the discussions. The summary includes the Group’s recommendations, when a clear consensus emerges from the discussion, or, when this is not the case, a summary of the varying opinions, with balanced commentary.

4. The 13th meeting, held in Copenhagen, was the first meeting at which poster sessions were held. Poster sessions involve the presentation and discussion of topics in small groups. This innovation was seen as a welcome development that facilitated knowledge-sharing in a less formal environment. At the 14th meeting, held in Tokyo, two operational innovations were introduced: a document-sharing website and the live streaming of the meeting. These developments contributed to the success of the meeting.

5. The host agency provides facilities and administrative support for the meetings.

6. Copies of each meeting’s proceedings and information about the Ottawa Group are available from the Group’s website (www.ottawagroup.org). The steering committee may also decide to edit and periodically release compendiums on selected topics through the website. The Executive Secretary is responsible for maintaining the website.

7. Researchers working for or advising national statistical offices have attended meetings of the Group. Among the countries that have been represented are Australia, Austria, Brazil, Canada, Chile, China, Denmark, Finland, France, Germany, Iceland, Indonesia, Israel, Italy, Luxembourg, Japan, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Republic of Korea, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Viet Nam. Representatives of international organizations, such as Eurostat, the statistics department of the International Monetary Fund, ILO, ECE, the European Central Bank and the Organization for Economic Cooperation and Development, have also attended.

II. Meetings

8. The Group has met on 14 occasions:

Ottawa, 31 October-3 November 1994
 Stockholm, 15-17 November 1995
 Voorburg, 16-18 April 1997
 Washington, D.C., 22-24 April 1998
 Reykjavik, 25-27 August 1999
 Canberra, 2-6 April 2001
 Paris, 27-29 May 2003
 Helsinki, 23-25 August 2004
 London, 14-16 May 2006
 Ottawa, 9-12 October 2007
 Neuchâtel, 27-29 May 2009
 Wellington, 4-6 May 2011
 Copenhagen, 1-3 May 2013
 Tokyo, 20-22 May 2015

9. Various topics have been discussed by the Ottawa Group, including quality change, hedonics, index formulae, sampling, bias and cost-of-living indices. The Group's most recent major achievements relate to the development and empirical research of price index methods to compile the CPI using big data. The Group is fortunate that leading academics and practitioners in this area are significant and regular contributors to the meetings. In addition, the Group is looking towards contributing to an update of the *Consumer Price Index Manual: Theory and Practice* (published in 2004 and available from <http://www.ilo.org/public/english/bureau/stat/guides/cpi/index.htm#manual>). The involvement of the Ottawa Group in this activity will be at the invitation of the Intersecretariat Working Group on Price Statistics. Virtually all the chapters of the 2004 manual were written by members of the Ottawa Group, and the Group is well positioned to be consulted in the updating of the manual in the future.

10. Developments in the use of big data to compile price indices are examples of the strengths of the Ottawa Group. The Group brings together academic specialists in the area of price measurement with practitioners from the statistical agencies that actually compile price indices. Both groups learn from each other, allowing progress to be made in both the academic and practitioner communities.

III. Recent activities

11. Since its last report to the Statistical Commission in 2014 ([E/CN.3/2014/26](#)), the Ottawa Group has met once, in May 2015, in Tokyo. The meeting was attended by 63 participants from 28 national statistics offices, 9 academic organizations and 10 international organizations.

12. Fundamental problems of price measurement remained the focus of the most recent meeting. The Ottawa Group considered various topics, including alternate data sources and index number formulae, the compilation of property price indexes, new methods for quality adjustment, the treatment of seasonal data in the CPI and developments in the use of transaction (scanner) data. Discussions focused on the theoretical and methodological considerations of each topic and the practical implementation of those theories and methods in the context of a national statistical office.

13. In total, 28 papers were presented for discussion and 7 papers were submitted as room documents. The meeting papers were well received by participants, and discussions focused on various topics relating to concepts, methods and compilation procedures for price indices. The key points that emerged from each session have been provided in the full report on the 14th meeting of the Ottawa Group, which is available as a background document to the present report. The full report is also available on the Group's website.

IV. Planned activities

14. The next meeting of the Ottawa Group will be hosted by the Deutsche Bundesbank and will be held from 10 to 12 May 2017. The agenda of the meeting is still open for discussion and is dependent on work programmes and future priorities. Among the possible topics for discussion are:

- (a) New data sources (e.g., scanner/transaction data, big data, quality adjustments);
- (b) Challenging areas of measurement (e.g., commercial property, services);
- (c) Conceptual frameworks (for target indices and for reconciling upper and lower levels of index construction);
- (d) Treatment of special cases (e.g., strongly seasonal commodities, zero prices).

15. The Ottawa Group steering committee consults with members of the Intersecretariat Working Group on Price Statistics and organizers of the joint ECE/ILO consumer price index meetings to ensure the appropriate coordination of meeting agendas.

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V. Conclusion

17. The Commission is invited to take note of the present report.
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