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Report of the Intersecretariat Working Group on Price Statistics

Prepared by UNECE

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Background and purpose of the IWGPS

1. The mission of the Intersecretariat Working Group on Price Statistics (IWGPS) is to coordinate international work on price statistics and support the development and implementation of internationally accepted standards and methods.
2. The IWGPS was established in 1998. The original terms of reference focused on the development of the *Consumer Price Index Manual: Theory and Practice* and the *Producer Price Index Manual: Theory and Practice*, which were published in 2004. The terms of reference was revised in 2005. The revised terms of reference refers to the further development of the CPI and PPI Manuals and their implementation, including reviewing the electronic versions of the manuals, and to the development of international manuals for other price statistics, in particular export and import price indices and house price indices. The revised terms of reference also refer to the coordination of international work on price indices.

The organisation of the IWGPS

3. The IWGPS consists of representatives from UNECE, ILO, IMF, OECD, Eurostat and the World Bank. The Group is open and invites experts from statistical offices and academia to participate in its work. In March 2007 UNECE took over the chair of the IWGPS from IMF.
4. The IWGPS aims to meet in conjunction with international meetings on price statistics. In between, issues are reviewed by means of electronic discussions. The Group held its previous meeting on 26 May 2009 in Neuchatel, Switzerland, in conjunction with the Meeting in the Ottawa Group on Price Indices. The next meeting is scheduled to take place in Geneva, back-to-back with the joint UNECE/ILO meeting on Consumer Price Indices 10-12 May 2010.

Activities since the UNSC fortieth session in February 2009

5. A previous report on the work of the IWGPS, including the revised terms of reference, was submitted by UNECE to the UNSC for its fortieth session in 2009 (E/CN.3/2009/20). Since then, the following activities can be reported:
6. The *Practical Guide to Producing Consumer Price Indices. A Supplementary handbook to the Consumer Price Index Manual* was published by the UNECE in October 2009. The Handbook provides practical guidance on all aspects of compiling a CPI, and offers advice on operational issues in data collection, processing and publication. Although targeted at CPI compilers in developing countries it will also be of interest to compilers more generally. The Handbook is accompanied by a CD-ROM with training materials and references. The work with the Handbook has been lead by the Office of National Statistics (ONS) of the UK drawing on the experience of experts from both developed and developing countries. The Handbook is available from www.unece.org/stats/archive/02.07.e.htm. IMF will translate the Handbook into French and Spanish.
7. The *Export and Import Price Index (XMPI) Manual. Theory and Practice* was published by the IMF in December 2009. The Manual follows the same structure as that of the *PPI Manual*.

Chapters that are new to the *PPI Manual* discuss unit value indices, transfer prices and terms of trade indices and some chapters have been extended to be consistent with *2008 SNA*. The *XMPI Manual* is available from www.imf.org/external/np/sta/tegeipi/index.htm.

8. The *CPI Manual* (www.ilo.org/public/english/bureau/stat/guides/cpi/index.htm) is available in English, French, Russian, Spanish, Chinese and Japanese, and is being translated into Arabic.

9. The *PPI Manual* (www.imf.org/external/np/sta/tegppi/index.htm) is available in English only. IMF is undertaking the translation into Spanish and French versions.

10. Eurostat in 2008 agreed to organize and finance the work on a *Handbook on Residential Property Price Indices*. The scope and outline of the handbook, and arrangements for discussing and quality assuring has been agreed with the IWGPS. The handbook will be drafted by a team lead by Statistics Netherlands involving experts from other statistical offices and researchers. To initiate work a conference on Residential Property Price Indices was hosted by the Bank for International Settlements in Basel, on 11-12 November 2009. The conference, organised by Eurostat, IAOS and the Irving Fisher Committee on Central Bank Statistics, was attended by experts from statistical offices, central banks, academics and the private sector. The conference discussed the uses of residential property price indices, the practical and theoretical basis for compiling such indices and how data providers and official statistics may address methodological and other issues. A first draft of the Handbook is planned to be discussed on the UNECE/ILO meeting on CPI in May 2010. A workshop will be organized in 2011 where the Handbook is planned to be finalized. Drafts will be made available from Eurostat's webpage.

11. An updated version of the Price Index Processor Software (PIPS) developed by IMF is now available online from www.unece.org/stats/archive/02.07.e.htm. Users can download the software as it is or modify it to meet individual needs. The IMF developed the PIPS to provide a facility for compiling price indices incorporating recommendations from the latest international price statistics manuals. There are two versions, each with its own user manual, one for compiling CPIs and another for compiling PPIs. As well as the programs, the website contains updated user manuals, the source code for the programs (which allows users to modify the software as needs arise) and a link to an online PIPS discussion forum

12. The Ottawa Group on Price Indices met in Neuchatel, Switzerland, on 27-29 May 2009, and discussed, among other topics, house price indices, methodological issues and core inflation measurement. More information about the Ottawa Group is provided in the report of the Ottawa Group (document E/CN.3/2010/25).

13. The IWGPS aims to strengthen international work on price statistics by improving the coordination of the joint UNECE/ILO CPI meetings and the Ottawa Group meetings and by supporting and overseeing work with international publications on price indices.

More information

14. The terms of reference of the IWGPS, previous reports and list of members are available from www.ilo.org/public/english/bureau/stat/guides/cpi/index.htm