



Economic and Social Council

Distr.: General
19 December 2019

Original: English

Statistical Commission

Fifty-first session

3–6 March 2020

Item 4 (c) of the provisional agenda*

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 2019/210 and past practices, the Secretary-General has the honour to transmit the report of the Ottawa Group on Price Indices to the Statistical Commission. The Commission is invited to take note of the report.

* [E/CN.3/2020/1](#).



Report of the Ottawa Group on Price Indices

I. Purpose and organization of the Ottawa Group on Price Indices

1. The International Working Group on Price Indices, known as the “Ottawa Group on Price Indices”, 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 relating to the measurement of price change. While theoretical issues are covered in the discussions, the Group focuses primarily on applied research, in particular, but not exclusively, in the area of consumer price indices. The Group examines the advantages and disadvantages of concepts, methods and procedures in the context of realistic operational environments, supported by specific examples whenever possible. Participants are specialists and practitioners who work for or advise statistical agencies in 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 and the International Labour Organization.

2. The Ottawa Group has a steering committee that ensures the continuity and evolution of the Group’s activities. The Group coordinates with other international activities on price statistics, such as the Group of Experts on Consumer Prices Indices and the Intersecretariat Working Group on Price Statistics. The membership of the committee is reviewed periodically at each meeting of the Ottawa Group to ensure that it has a representative cross section of experts, a commitment to diversity (e.g. sex, age and geographical spread) and a sustainable future in relation to succession planning. The committee currently comprises representatives of national statistical offices, academics and other experts in the field of price statistics, a representative of the organizing committee for the Group of Experts, 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 the Executive Secretary of the 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 responsible for producing a summary of the discussions. The summary includes the Group’s recommendations, when a clear consensus emerges from the discussions, or, when that is not the case, a summary of the varying opinions, with balanced commentary.

4. Poster sessions, which involve the presentation and discussion of topics in smaller groups, continue to be a feature of the Ottawa Group’s meetings. That innovation is seen as an important development that facilitates knowledge-sharing in a less formal environment. Participants note that that format continues to be a positive element of the Group’s meetings.

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

6. Copies of the proceedings of each meeting 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. The Ottawa Group has a strong emphasis on encouraging organizations around the world to host and attend its meetings to facilitate regional representation and participation, especially from the host country and region. Regional representation

allows countries with less developed statistical systems the opportunity to interact with and learn from more statistically developed countries, enabling them to build upon and further strengthen the statistical systems in their region. The Group's meetings have representation from countries in North and South America, Western and Eastern Europe, Asia and the Pacific and Africa.

II. Meetings and recent activities

8. The Ottawa Group benefits from the active participation of leading academics and practitioners in the area of price statistics who regularly contribute to its meetings. Various topics have been discussed by the Group, including quality change, hedonics, index formulae, sampling, bias and cost-of-living indices. The Group's most recent achievements relate to the development and empirical research of price index methods to compile consumer price indices using alternative data such as scanner data and big data. The Group actively contributed to the update of the *Consumer Price Index Manual: Theory and Practice* (2004).

9. Developments in the use of big data to compile price indices are an example 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. That has been most noticeable at the recent Group meeting, where developments and innovative ideas led to new approaches being developed in the area of compiling consumer price indices using alternative data.

Most recent meeting

10. Since its previous report to the Statistical Commission ([E/CN.3/2019/26](#)), the Ottawa Group has met once, from 8 to 10 May 2019, in Rio de Janeiro, Brazil, the first time that the Group had met in Latin America. The Group has now met 16 times. The most recent meeting, jointly hosted by the Fundação Getulio Vargas and the Brazilian Institute of Geography and Statistics, was attended by more than 85 participants from 20 statistical institutes and central banks, 20 international organizations and a number of leading academics and organizations.

11. Fundamental challenges in price measurement remained the focus of the meeting. The participants considered such topics as index theory and practice, pricing seasonal products, quality adjustment and hedonic methods, the challenges of big data, multilateral index methods, issues with new data sources and implementing scanner data. Discussions focused on the theoretical and methodological considerations of each topic and the practical implementation of the theory and methods in the context of national statistical agencies. In total, 26 papers were presented for discussion, and 29 papers were presented as dedicated posters. The papers were well received by the participants, and discussions centred on challenges, concepts, methods and compilation procedures for price indices.

12. As a general theme, the meeting continued the emphasis on the use of alternative data sources and the challenges that those data present to national statistical organizations, practitioners and academics. Alternative data such as web-scraped data, transaction data, big data and administrative data pose challenges to traditional index compilation procedures and methodologies. The Ottawa Group focuses on taking forward state-of-the-art ideas, and the meeting participants presented practical and theoretically based ways to overcome the challenges. New and innovative ideas discussed included compiling indices using big data, transaction data and web-scraped data. The full report of the meeting provides a summary of the key points

that emerged from each session and feedback from the participants. It is available as a background document and on the Group's website.

13. The website for the meeting can be found at <http://eventos.fgv.br/en/OttawaGroup-2019>.

Next meeting

14. The next meeting of the Ottawa Group, to be held in Rome from 9 to 11 June 2021, will be co-hosted by the National Institute of Statistics and the central bank of Italy. There will be a call for papers and discussions on:

- (a) New data sources for the compilation of price indices (scanner and web-scraped data; quality adjustment);
- (b) Compiling house price indices (residential and commercial);
- (c) Challenging areas of measurement (such as services);
- (d) Conceptual frameworks (index number formulae; multipurpose price statistics);
- (e) Treatment of special cases (strongly seasonal products; zero prices).

15. The steering committee will consult members of the Intersecretariat Working Group on Price Statistics and organizers of the Group of Experts on Consumer Prices Indices to ensure the appropriate coordination of meeting agendas.

III. Contact point

16. The contact point for the Ottawa Group is:

Andrew Tomadini, a/g Program Manager
Prices and Economic Research Branch
Australian Bureau of Statistics
Locked Bag 10, Belconnen ACT 2616
Australia
Telephone: 61 2 6252 7094
Email: Andrew.tomadini@abs.gov.au

IV. Action to be taken by the Statistical Commission

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