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### Statistical Commission

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Item 4 (k) 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 2013/235, 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 the report.

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\* [E/CN.3/2014/1](#).

## **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 jointly organized by the Economic Commission for Europe (ECE) and the International Labour Organization (ILO).

2. The Ottawa Group has a steering committee that ensures both the continuity and evolution of its activities. The steering committee comprises representatives of the agencies that host the Group’s recent and upcoming meetings, others agreed to by the membership, a representative of the organizing committee of the joint ECE/ILO expert group meetings on consumer price indices and a representative of the Intersecretariat Working Group on Price Statistics. A representative of the Australian Bureau of Statistics currently serves as Executive Secretary.

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, if this is not the case, a summary of the varying opinions with a balanced commentary.

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

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

6. Researchers working for or advising national statistical offices have attended Group meetings. Among the countries represented are Australia, Austria, Brazil, Canada, Chile, China, Denmark, Finland, France, Germany, Iceland, Indonesia, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Poland, the Republic of Korea, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, the United Kingdom of Great Britain and Northern Ireland and the United States of America. Representatives from 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

7. The Group has met on 13 occasions:
- Ottawa, 31 October-3 November 1994
  - Stockholm, 15-17 November 1995
  - Voorburg, the Netherlands, 16-18 April 1997
  - Washington, D.C., 22-24 April 1998
  - Reykjavik, 25-27 August 1999
  - Canberra, 16-21 April 2001
  - Paris, 27-29 May 2003
  - Helsinki, 23-25 August 2004
  - London, 14-16 May 2006
  - Ottawa, 10-12 October 2007
  - Neuchâtel, Switzerland, 27-29 May 2009
  - Wellington, 4-6 May 2011
  - Copenhagen, 1-3 May 2013

8. Various topics have been discussed by the Ottawa Group, including quality change, hedonics, index formulae, sampling, bias and living cost indices. The Group's major achievement has been to mobilize resources to write the *Consumer Price Index Manual* (published in 2004 and available from [www.ilo.org/public/english/bureau/stat/guides/cpi/index.htm#manual](http://www.ilo.org/public/english/bureau/stat/guides/cpi/index.htm#manual)) and the *Producer Price Index Manual* (also published in 2004 and available from [www.imf.org/external/np/sta/teggpi/index.htm](http://www.imf.org/external/np/sta/teggpi/index.htm)). Virtually all the chapters of the manuals were written by members of the Group.

9. One of the main strengths of the Ottawa Group is that it brings together academic specialists in the area of price measurement with practitioners in statistical agencies that actually construct price indices. Both groups learn from each other, with the result that the manuals can be read by both the academic and practitioner communities.

## III. Recent activities

10. Since its last report to the Statistical Commission was issued in 2012 ([E/CN.3/2012/26](http://www.un.org/apps/news/story.asp?NewsID=48487)), the Ottawa Group has met once, in May 2013, in Copenhagen.

11. Fundamental problems of price measurement continued to be the focus at the most recent meeting. The Ottawa Group considered topics such as residential and commercial property price indices, measuring services prices, new developments in calculation and weighting methodologies, developments in the use of transactions (scanner) data, developments of seasonal adjustment and other analytical price measures, and international comparability of price indices and other international comparisons.

12. In total, 20 papers were presented for discussion in the plenary sessions and 23 papers were presented at poster sessions. The meeting papers were well received by participants and discussions focused on various topics relating to the concepts, methods and compilation procedures for price indices. The key points emerging from each session are provided in the full report on the thirteenth meeting of the Ottawa Group, available from the Group's website.

#### **IV. Planned activities**

13. The next meeting of the Ottawa Group will be held in Japan in May 2015. 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) Use of scanner data to compile price indices;
- (b) Commercial property price indices;
- (c) Decomposition of price indices with different formulas;
- (d) International harmonization of price indices;
- (e) Pricing of seasonal commodities.

14. 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.

15. The contact for the Ottawa Group is:

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#### **V. Conclusions**

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

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