INTER-SECRETARIAT WORKING GROUP ON PRICES STATISTICS

MINUTES OF FIRST MEETING

Attendance

On the invitation of the ILO, the first meeting of the Inter-Secretariat Working Group on Prices Statistics (ISWGPS) was held on 24th September, 1998 in OECD, Paris. The following international organisations participated at the meeting: OECD, UNSD, IMF, World Bank, EuroStat, ECE and ILO. ECLAC declined participation due to resource constraints. A list of participants is attached as Annex 1.

The meeting was chaired by Mr Mehran of the ILO. The draft agenda (Annex 2) was adopted unamended.

Agenda Item 1: Introduction

In his introduction, the Chair gave an overview of the history of the international standards on CPI and briefly described developments that had taken place in concepts, definitions, methodologies and analysis since the last CPI manual was published in 1989.

Agenda Item 2: Mandate of ISWGPS

Need for and Extent of Revision

The Chair invited the Meeting to discuss the necessity or otherwise of reviewing the ILO manual on CPI. Some participants expressed the need to first determine the scope of the mandate of the Group before this discussion. After some deliberations, it was agreed that the ISWGPS should in principle cover all types of price statistics relevant to the SNA.

It was then generally acknowledged that the ILO manual on CPI needed to be revised. There was a proposal that the exercise should in fact deal with all principal price statistics at the same time as these indices have many elements in common and so a common approach would simplify training and technical assistance to countries. After some discussion it was however decided that sequential approach was preferable with revision of the CPI manual as the first priority. This exercise will then be followed by others to establish standards and write manuals for other price statistics such as the Producer Price Index, International Trade Price Index, Construction Price Index, etc. As these changes in the work programme take place there may be corresponding changes in
individual membership and/or level of active participation of some organisations in ISWGPS.

The ISWGPS will report to the UN Statistical Commission which will be informed of the existence, purpose and mandate of ISWGPS at its next meeting in February, 1999.

**Relationship between HICP manual and the proposed CPI manual**

After a presentation by EuroStat of their proposed HICP manual, it was concluded that there is no contradiction in having both manuals as they have different purposes, approaches and audiences. The HICP manual will lay emphasis on EU regulations, directives and guidelines for ensuring comparability among EU member states’ statistics, especially for computation of the EU inflation rate required for monetary union. The proposed CPI manual has broader objectives, will be less prescriptive and will be addressed to a global audience. It was mentioned that the two manuals would in fact complement each other.

**Relationship with the Work being done by the Ottawa City Group on Prices**

The ISWGPS is a management and coordinating mechanism for the work being done by experts groups such as the Ottawa Group and provides a vehicle for ensuring that the work of such groups can be channelled into concrete outputs. In particular, the high quality papers that have been produced by these groups will feed into the revision process of the manual and the ISWGPS will continue to draw on the expertise of these groups for its own activities. There will therefore be no duplication of work between the ISWGPS and the Ottawa Group.

**Agenda Item 3: Composition of ISWGPS**

Membership of ISWGPS is open to all interested and committed organisations. There was some discussion about the use of "working" in the title of the group given the role it is expected to perform. However, as this is standard terminology familiar to everybody, it was agreed to retain the title as it is.

**Agenda Item 4: Mechanism for Revising the Manual**

It was decided that the ISWGPS will be responsible for the overall management of the revision of the manual and for the approval of the manual. The actual writing of the manual will be carried out using expertise from the Ottawa Group, from individuals in ISWGPS and from developing countries and countries in transition. It was emphasised that the revision process should be broad based and regionally representative with expertise from across all regions so as to ensure that all regional concerns are addressed. Given the resource constraints of developing countries which often prevent them from participating at meetings, it was felt that this representation could be assured through international
organisations whose mandates are global as well as through consultation with these experts using electronic media such as the internet.

There was some discussion about the organisation of the writing of the manual. It was agreed that there will be a need for a manager/editor who, apart from doing some of the writing, will be responsible for integrating the work done by the other experts as well as co-ordinating and supervising the work and observance of deadlines. Final decisions about the form of authorship, single versus multiple, and the organisation of the revision will be taken at the next meeting of ISWGPS in February 1999 after agreeing on the outline and nature of the manual.

With regard to the nature and the purpose of the manual, it was decided that the manual

- should address both conceptual and practical, operational issues such as sampling, etc.;
- should be targeted for use by both developed and developing countries;
- should be directly usable by organisations during training and advisory missions;
- should indicate those elements that can also be used for other price indices;
- could draw on the existing ILO manual as and when necessary.

As CPI has many uses and users, it was agreed that each organisation should write-up their perceptions of the overall objective of the manual which would then be synthesized by OECD and circulated to members of ISWGPS for approval.

Initially, each organisation in ISWGPS is expected to produce a draft proposal of the outline of the manual. (The IMF representative then circulated a draft outline for a comprehensive manual covering all principal price indices which had earlier been sent to the ILO.) Those that are received in time will then be used by OECD to produce a common outline for approval by ISWGPS. This ISWGPS proposed outline will be discussed and firmed-up at a meeting of experts being hosted by ECE, 11-12 February, 1999. (ECE will select a small group of experts for this meeting in consultation with other members of ISWGPS.) Based on the recommendations of this meeting, the ISWGPS will approve the proposed outline for wider discussion by circulating it to other experts both in the Ottawa Group and in the developing countries.

The Ottawa Group will be requested to have a special session during their next meeting in Iceland, August 1999 at which the proposals for revising the manual, including the draft outline, will be discussed. The 3rd Meeting of ISWGPS will take place at this time.

Those draft chapters of the manual which are ready by then will be discussed as papers at the ECE/ILO meeting on CPI, 2-5 November, 1999. Other regions will
be encouraged to ensure that similar discussions of these issues take place at their regional level.

The ILO indicated that as the revised manual should not be in contradiction with the 1987 ICLS resolution on CPI, it will be necessary for the ILO to carry out a review process of the latter once the former was accepted by ISWGPS. In this regard it is expected that, if necessary, a revised resolution on CPI will be presented to the ICLS at its 17th meeting expected to take place in 2003. The outside limit for completing the revision of the manual could therefore be set at 2003.

**Agenda Item 5: Roles of Individual Organisations in ISWGPS**

The ILO agreed to be the Secretariat of ISWGPS during the first phase of its work when the CPI manual is being revised. The ILO also indicated that it will take responsibility for printing and disseminating the manual and that it may have some additional resources for other aspects of the work on the manual in the biennium 2000-01.

The IMF stated that it could consider contributing some financial resources to the work of ISWGPS on a cost-sharing basis with other organisations.

The ECE has already budgeted some money for this exercise as from January 1999 and will host the experts meeting in February 1999.

OCED’s contribution at this stage will be in the form of staff time to carry out the coordination and finalisation of the outline and the statement of objective of the manual.

After some discussion it was agreed that the resources required for the exercise will depend on the subject and the nature of the work that has to be done, especially the organisation of the writing of the manual. It was therefore decided that all organisations in ISWGPS will indicate their various financial contributions to the exercise by the third meeting of the Group in August 1999 by which time these details would be known.

UNSD stated that their participation in ISWGPS will depend on the decisions taken by the UN Statistical Commission.
### Agenda Item 6: Work Programme - 1998/99

<table>
<thead>
<tr>
<th>End Time</th>
<th>Activities</th>
<th>Responsible Organisations</th>
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<tbody>
<tr>
<td>30 October 1998</td>
<td>Submission of outline proposals to OECD</td>
<td>All</td>
</tr>
<tr>
<td>30 October 1998</td>
<td>Request to Ottawa Group for special session on revision of the manual at their Iceland Meeting</td>
<td>ECE (Peter Hill)</td>
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<tr>
<td>30 November 1998</td>
<td>Circulation of these Minutes and proposed Terms of Reference of ISWGPS</td>
<td>Secretariat (ILO)</td>
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<tr>
<td>30 November 1998</td>
<td>Wide circulation of information on existence of ISWGPS to all regions</td>
<td>ILO, IMF, WB, UNSD</td>
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<tr>
<td>15 January 1999</td>
<td>Finalisation of ISWGPS proposed outline and overall objective of the manual</td>
<td>OECD (Carl Obst)</td>
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<td>11-12 February 1999</td>
<td>Experts meeting (Geneva) 2nd meeting of ISWGPS</td>
<td>ECE</td>
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<tr>
<td>February 1999</td>
<td>Report to UN Statistical Commission</td>
<td>ILO, UNSD</td>
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<tr>
<td>28 February 1999</td>
<td>Wide circulation of Outline Proposals</td>
<td>ILO, IMF, WB, UNSD</td>
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<tr>
<td>27-28 August 1999</td>
<td>3rd Meeting of ISWGPS &amp; Special session at Ottawa Group Meeting (Iceland)</td>
<td>Secretariat (ILO), ECE</td>
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<tr>
<td>02-05 November 1999</td>
<td>ILO/ECE Meeting on CPI &amp; 4th Meeting of ISWGPS</td>
<td>ECE, Secretariat (ILO)</td>
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### Agenda Item 7: Any Other Business

There was no other business.

### Agenda Item 8: Closing Remarks

The Chair thanked everyone for coming to the Meeting and for their fruitful interventions. He hoped that the work of the Group will be successful.

Appendix 1
<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
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Appendix 2

Inaugural Meeting of the Inter-Secretariat Working Group on Prices Statistics (ISWGPS)

Room 4031, Pascal, OECD, Paris
(9.30am, Thursday 24th September, 1998)

Agenda

1. Introduction -Chair

2. Mandate for the Working Group
   • Need for and Extent of Revision of CPI Manual/Standards
   • Relationship with Other Related Exercises: HICP Manual, Ottawa Group, etc.
   • Extension to PPI and International Trade Price Statistics (ITPS)

3. Composition and Role of Working Group (WG)

4. Mechanism for Revising/Establishing Standards

5. Roles of Individual Organisations in the WG

6. Work Plan

7. Any Other Business

8. Closing Remarks -Chair