

Inter-Secretariat Working Group on Price Statistics (IWGPS)

Minutes of meeting 10 May 2018

Attendance

- Paul Konijn (Eurostat)
- Jens Mehrhoff (Eurostat)
- Jarko Pasanen (Eurostat)
- Valentina Stoevska (ILO)
- Margarida Martins (IMF)
- Vanda Guerreiro (IMF)
- Anne-Sophie Fraise (OECD)
- Carsten Boldsen (UNECE)
- Nada Hamadeh (Chair, World Bank), through telephone connection
- Yuri Dikhanov (World Bank)
- Brian Graf (Consultant, editor of the updated CPI Manual)
- Martin Eiglsperger (ECB), attended for item 1 of the agenda, through telephone connection
- Robert Szemere (BIS), attended for item 1 of the agenda, through telephone connection

Agenda

1. Information sharing on 2018-2019 price statistics activities undertaken/planned by IWGPS agencies, ECB and BIS
2. CPI Manual Update - progress to date, updated timetable and next steps
3. Updates on the Ottawa Group 2019 meeting preparations
4. Information about the UNSD Task Team on scanner data
5. Comments on the CPI expert group meeting
6. Date for next meeting/call
7. Other business

1. Information sharing on 2018-2019 price statistics activities undertaken/planned by IWGPS agencies, ECB and BIS

ECB

ECB reported about the following activities:

- Cooperation with Eurostat and the European Statistical System on developing an infrastructure for the provision of price indices, building starts and completions and vacancy rates of commercial properties in the European Union. The work involves Eurostat's Unit on Short-Term Business Statistics.
- Participation in the Working Group of the European System of Central Banks on General Economic Statistics, which includes work on: a) Collection and validation of existing data on commercial

properties in the European Union, from official and non-official sources; BIS and Eurostat are observers in this Working Group. b) Establishment of dedicated sub-groups focusing on specific topics in the area of commercial property statistics.

BIS

BIS reported about the following activities:

- Thematic Workshop on Residential and Commercial Property Prices Indices (RPPIs/CPPIs) on 29-30 January 2018, jointly organised by BIS, Eurostat, IMF and OECD in the context of the G20 DGI-2 initiative.
- Workshop on Commercial Property Price Indices, Cappadocia, Turkey, on 7-8 May 2018, organised by the Central Bank of the Republic of Turkey.

During the workshops, BIS highlighted the pro-cyclicality of property prices and their interactions with credit developments, and summarised the BIS activities in collecting and disseminating CPPIs. The data is available at https://www.bis.org/statistics/pp_commercial.htm. Additional data for Germany, Japan, and Portugal will be disseminated in the coming weeks. At the workshops, central banks and statistical offices presented their ongoing projects on compiling and publishing CPPIs. CPPIs will be published for the first time in the coming months/years in Italy, Netherlands and Turkey. A main outcome of the workshops is that financial market data, especially from Real Estate Investment Funds, shall be considered for the compilation of CPPIs, beyond transaction and appraisal data.

Eurostat

Eurostat is organising a conference on real estate statistics to take place on 20-22 February 2019. A scientific committee has been established to prepare the agenda. A call for paper is scheduled to be circulated in June. Eurostat will set-up a task force on commercial property price indices, which will contribute to the conference.

Eurostat is considering a plan for the implementation of the revised COICOP, *COICOP 2018*, adopted by the UNSC in March 2018.

OECD

Following the endorsement of the template for house prices and housing related indicators by the Inter-Agency Group on Economic and Financial Statistics during the 2018 Thematic Workshop hosted by Argentina on 29- 30 January 2018, the OECD continues to implement the template and will begin data collection on housing indicators after the summer break.

World Bank

The World Bank has established a task force to develop guidance to countries on integrating survey activities for the CPI and the ICP. The guidelines will be circulated to the IWGPS members for feedback and comments. Eventually, the guidelines may be submitted to the UNSC for endorsement.

Setting up a UN city group on real estate statistics

The IWGPS earlier discussed the possibility of establishing a city group on real estate statistics and agreed to come back to the issue after the 2018 UNSC. UNSD has informed that for the establishing of a city group the topic should have global interest and one or more countries should agree to take the lead of the group.

It was mentioned that some real estate statistics is not produced by national statistical offices, which could make a city group less suitable to lead work in this area. On the other hand, it was pointed out that also statistics in other areas is sometimes not produced by the national statistical office. A possible city group should take the perspective of official statistics, irrespective of which institutions produces the statistics in different countries.

Conclusions and action points

- The IWGPS should follow-up on activities on real estate statistics at its next call.
- The IWGPS should come back to the issue of establishing a city group – or another body – on real estate statistics. To this end, the World Bank agreed to follow-up with UNSD on the possibility of submitting a proposal to the UNSC in 2019 to establish a city group on real estate statistics.
- Eurostat agreed to investigate the alternative possibility of extending the mandate of the Inter Agency Working Group on Housing Statistics to cover real estate statistics.

2. CPI Manual Update - progress to date, updated timetable and next steps

IMF and Brian Graf reported on the status of the CPI manual update. All chapters in Vol I have been updated and are available for review by IWGPS members and CPI compilers. No substantive comments have been received from the IWGPS member organisations. It was reminded that IWGPS should submit written comments to IMF and Brian Graf.

Comments from CPI compilers have been received and have been overwhelmingly positive and constructive. Some countries noted they would like more time to provide feedback, thus, the IMF extended the deadline for CPI compilers' review to allow feedback from more countries.

The first draft of the theoretical chapters is expected in June 2019. Erwin Diewert continues to develop practical methods for the treatment of scanner data to compile elementary indexes and quality adjustment methods for these data. The view of the TEG-CPI is that theoretical material from Vol II should not be incorporated into Vol I. Each chapter, where relevant, includes a summary of the theoretical issues and concepts. Erwin Diewert reviewed Vol I and noted that each chapter includes a complete summary of the key theoretical issues and concepts.

The IWGPS thanked IMF for the work and the resources put into the update of the manual.

Eurostat and UNECE raised concerns about the time plan and questioned if the current plan would leave sufficient time to ensure the quality of the update and thorough discussion by the IWGPS members. They suggested a two days IWGPS face-to-face meeting to discuss the draft chapters. The IWGPS should ensure that the update meets the objectives and not compromise on the quality of the updated manual. Eurostat and UNECE did not see any urgent need to finish the update before the UNSC in March 2019 and proposed extending the time plan with one year with the aim to present the updated manual to the UNSC in 2020. They underlined the need to have full support of the IWGPS before submitting the manual to the UNSC to be adopted as an international statistical standard.

IMF and Brian Graf stressed that the update was supposed to be a light update and not a full rewrite. The IMF noted that sufficient time had been allotted for IWGPS review of the draft chapters, but no comments have been received. IWGPS members were reminded that the majority of the updated chapters have been available for review since October 2018 (7 chapters posted for review in October 2018; 1 chapter posted in November 2018; 1 chapter posted in December 2018) and no comments have been received from IWGPS members. Given the lack of comments to date, there was also a concern that

extending the time plan would not result in additional inputs from the IWGPS members. They added that the TEG-CPI members are volunteers with other work commitments and that their organizations would not support their involvement indefinitely. It was also noted that the IMF already has invested substantive resources in the update. To advance the work, it was suggested that chapters be assigned to IWGPS members. Each IWGPS member would be responsible for reviewing 3-4 chapters. It was agreed that two IWGPS members would review the new chapters and those subject to substantial re-writing. The IMF will send a list of chapters to the IWGPS for the members to indicate which chapters they volunteer to review. The IMF stressed that it could not promise to attend an additional face-to-face meeting in Europe.

ILO was in favour of a two days face-to-face meeting to discuss the draft chapters, and agreed to review one or two chapters.

OECD said that sufficient time should be allocated to the review of the draft chapters. OECD offered to host a face-to-face meeting in Paris and supported the idea of assigning IWGPS to review chapters. OECD noted that the part on scanner data should not go into too many details or new areas since there would be a risk such material could become quickly outdated.

The World Bank was in favour of organising a face-to-face meeting to discuss the draft chapters, which would help to keep the current time plan. The World Bank also agreed on the proposal to allocate IWGPS members to review chapters. However, the face-to-face meeting should be well prepared and written comments be provided to the IMF and Brian Graf well in advance.

IWGPS members, including Eurostat, ILO, OECD and UNECE, acknowledged that so far, they have not been able to provide comments or suggestions to the draft chapters, due to other commitments and limited resources. The representatives of the organisations will also be busy in the future. Therefore, sufficient time must be realistically allocated for their involvement in reviewing the update.

Conclusions and action points

- A two days IWGPS face-to-face meeting should be organised in September 2019 to go through the draft chapters and agree on remaining changes to be made. IWGPS members should indicate their preferences for the time and venue of the meeting. IMF, OECD, Eurostat and UNECE have all offered to host the meeting.
- IMF will update the current time plan to take the comments made into account, still aiming for submitting the update to the 2019 UNSC. The submission of the draft update to the UNSD should be moved to the end of the year (as late as possible) to give more time for reviewing and incorporating comments from IWGPS members after the face-to-face meeting.
- IMF will circulate a list of the chapters where IWGPS member can indicate which chapters they would be able to review. Two reviewers should be allocated to new chapters or chapters with substantive changes. Chapters with fewer changes may need only one reviewer.
- UNECE and Eurostat agreed on the proposed way forward but expressed doubt whether time would be sufficient. They stressed that the IWGPS should still have the possibility to extend the time plan if that would be necessary to ensure quality and meet the objectives of the update.

3. Updates on the Ottawa Group 2019 meeting preparations

The next meeting of the Ottawa Group will take place in Rio de Janeiro on 8-10 May 2019. This will be the first time the Ottawa Group takes place in Latin America. The meeting will be co-hosted by IBGE and

Fundacao Getulio Vargas. The organisation of the meeting was discussed and agreed upon at the meeting of the Steering Committee of the Ottawa Group on 8 May 2018. The practical preparation of the meeting has begun, with the assistance of the organiser of the previous Ottawa Group Meeting in Eltville, Germany (Jens Mehrhoff, Eurostat). The invitation and the call for papers are scheduled to be sent out in fall 2018.

4. Information about the UNSD Task Team on scanner data

The World Bank informed about progress of work reported by the UNSD Task Team on scanner data, which was circulated to the IWGPS on 6 May 2018. The Task Team is focusing on developing open source software and training material. It also considers developing guidelines on web scraping. The IWGPS should continue to receive regular progress reports on the work of the Task Team. It was noted that the IWGPS should be the guiding and coordinating body regarding the use of scanner data for producing price indices.

5. Comments on the CPI expert group meeting

The CPI Expert Group meeting on 7-9 May 2018 had a record number of 160 registered participants. In addition to participants from CES member countries, the meeting was attended by CPI compilers from countries with less developed statistical systems of different regions, including Africa, Latin America and the Caribbean, Middle East and North Africa, and Asia and the Pacific. The participation of many of these countries was made possible through support from the World Bank and other donors. The World Bank was thanked for its continuing support to the meeting.

6. Date for next meeting/call

It was suggested to have the next call of the IWGPS in June. The World Bank agreed to circulate an email or a Doodle to find a suitable time for the call.

7. Other business

The IWGPS should prepare its biennial report for the 2019 UNSC. The 2019 UNSC will have Price Statistics on its agenda, under which two reports would be presented, one from the IWGPS and another from the Ottawa Group.

The IWGPS website (<http://www.ilo.org/public/english/bureau/stat/guides/cpi/index.htm>) has been updated. ILO/Valentina was thanked for the good work.