

Consumer Price Indices

General report Ch.3.8, paras 103-108

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12.10.2018



2003 Resolution on CPI

Adopted in 2003 by the 17th ICLS

- recommends that a number of price indices should be produced given the widespread use of CPI estimates for many different purposes.
- provides guidelines on the appropriate conceptual basis depending on the main use of the CPI.



Consume Price Index Manual: Theory and Practice, 2004

The Manual published by the ILO

- a joint effort of six international organisations (Eurostat, ILO, IMF, OECD, UNECE, and the World Bank), members of the IWGPS, and experts from a number of national statistical offices and universities.
- provides considerably more detail, information and explanation of CPI methodology and the relevant economic and statistical theory than can be included in the resolution.
- presents an overview of conceptual and theoretical issues that should be considered when making decisions on the various problems in the daily compilation of the CPI.
- documents different practices in use and points out alternatives to existing practices whenever possible, along with their advantages and disadvantages
- available at <http://www.ilo.org/stat/index.htm>



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20th International Conference of Labour Statisticians
10-19 October 2018, Geneva



Consume Price Index Manual: Theory and Practice, update

Methods and best practices have continued to evolve since 2004

2014 UNECE-ILO CPI Experts Meeting: Countries expressed a need for the CPI Manual to better reflect current best practices and to include more practical compilation advice.

IWGPS Endorsed and supported an update of the CPI Manual

TEG-CPI responsible for the update of the CPI Manual was established in 2016

- Members of the TEG-CPI represent international price index experts and compilers from national statistical offices.
- Terms of Reference
http://www.ilo.org/public/english/bureau/stat/guides/cpi/IWGPS_TWG.html

Objectives of the update: To produce a CPI Manual that includes more practical compilation advice for compilers. The update is not intended to include fundamental or comprehensive changes



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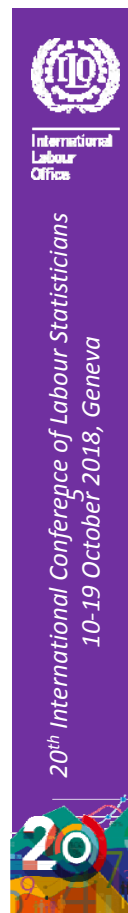
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Consume Price Index Manual: Theory and Practice, update

The main objectives of the update include:

- i. Provide clearer and more prescriptive recommendations and guidelines in cases where research, methodological development and practical experience warrant such recommendations and guidelines, and where this is found useful.
- ii. Take into account experiences gained on the applicability and usefulness of the 2004 manual.
- iii. Incorporate relevant developments in methods and practices as well as theory and research over the last decade.
- iv. Update material on data sources, data collection methods and related calculation methods to reflect developments since 2004.
- v. Reflect recent developments in user needs.
- vi. Harmonize the CPI concepts in line with the 2008 SNA.



Consume Price Index Manual: Theory and Practice, update **Main changes**

❖ Objectives:

- Provide more practical advice wherever possible
- Streamline - reduce unnecessary repetition

❖ Volumes on practice and theory as stand-alone documents

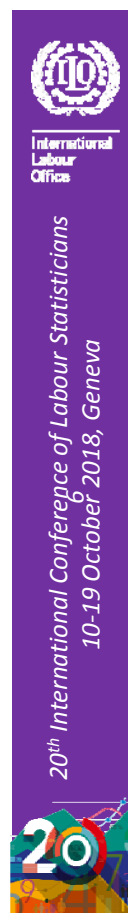
- Consumer Price Index Manual: Compilation practices
- Consumer Price Index: Theory and concepts.

❖ Two new chapters

- Scanner data
- Updating weights and linking index series

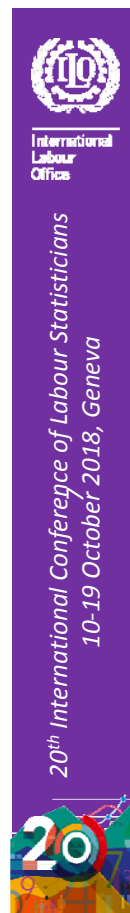
❖ Rewrites

- Sampling (Focus on multi-stage sampling process in practice; Challenges faced by compilers in the absence of sampling frames)
- Missing prices and quality adjustment (More detailed examples and clearer guidance)



Consume Price Index Manual: Theory and Practice, update Main changes

- ❖ Update and develop new detailed examples
 - Missing prices, quality adjustment
- ❖ Identify steps needed to develop and maintain a CPI
- ❖ Further elaborate use of national accounts data and alternative data sources to develop weights
- ❖ Treatment of internet purchases and collection of on-line prices
- ❖ Data editing
- ❖ Innovations in the collection of prices (Web-scraping)
- ❖ Theory and concepts
 - Treatment of scanner data in the calculation of elementary aggregates
 - Quality adjustment methods to deal with scanner data



Consume Price Index Manual: Theory and Practice, update Current status

- All practical chapters updated and available for comments at [https://www .imf.org/en/Data/Statistics/cpi-manual](https://www.imf.org/en/Data/Statistics/cpi-manual)
- Chapters being revised taking into account comments from countries and IWGPS
- Submission of draft to the IWGPS for approval
- Formal consultation of countries
- Expected that the work will be completed before the end of 2018
- Submission of the final manual for endorsement by the UNSC

