United Nations Economic Commission for Europe

Conference of European Statisticians

Meeting of the Group of Experts on Consumer Price Indices

26 – 28 May 2014
Palais des Nations, Geneva
Starting at 9:30 on Monday 26 May
Organised jointly by UNECE and ILO

Programme of the meeting (Preliminary)

Monday 26 May. Meeting rooms: See below pages

Workshops on Consumer Price Indices

- Elementary price indices
- Core inflation measurement
- Quality management
- Scanner data
- Higher-level Price Indices
- Quality adjustment: A general framework and the role of Hedonics
- Treatment of seasonal products
- The Price Index Processor Software

Tuesday 27 – Wednesday 28 May. Meeting room XXVI

Welcome and opening of the meeting
1. Reports from the workshops
2. Update of the 2004 CPI Manual
3. Methodological issues I
4. Methodological issues II
5. Price collection methods
6. Difficult to measure products and services
7. Management
8. Future work
9. Any other business

Poster Sessions:
- International Handbook on Commercial Property Price Indicators
- The Billion Prices Project: Using Online Data to Measure Inflation

09.30 – 12.30   Workshops 1 to 4

Workshop 1: Elementary price indices
Organiser: Erwin Diewert, University of British Columbia, Canada
Meeting Room: XXIII, Working language: English

The workshop will study the relative advantages and disadvantages of the three main index number formulae that are used to aggregate prices at the lowest level of aggregation when quantity or expenditure information is not available: the Carli, Jevons and Dutot formulae. An econometric method, the Time Product Dummy method will also be discussed. There will be some discussion of reconciling these formulae with the overall target index, which of course uses information on expenditure weights. Finally, methods of aggregating prices at the elementary level that use price information for more than two periods will be described.

Workshop 2: Core inflation measurement
Organisers: Irina Goryatcheva, CIS-STAT, and Michael Silver, Brian Graf, IMF
Meeting Room: XXVI, Working languages: English, French and Russian

This workshop first overviews the thinking behind, measurement of, and criteria for selecting among, alternative measures of core inflation. Attention is then focused on the practical issues of credibility of core measures when food and energy absorb large proportions of household expenditure and the relationship between the central bank and national statistical offices (NSOs) in the design and execution of the measures. This is followed by presentations on practical issues in compilation and dissemination by an NSO and a central bank's perspective that develops some of the issues in the overview. Sufficient time is made available for participant contributions of their country's experience in light of the aforementioned issues.

Workshop 3: Quality management
Organisers: Mari Ylä-Jarkko, Statistics Finland, Derek Bird, Office for National Statistics, UK, and Rafael Gaona Lopez, National Institute of Statistics and Geography, Mexico
Meeting Room: XXVII, Working language: English

The workshop will discuss how to monitor the CPI production process and ensure the over-all quality of the CPI. This will include management and quality assurance of the various steps of compiling the CPI; sampling of products, price collection, data validation, calculation and dissemination. The workshop will discuss different quality assurance frameworks, such as ISO and the European Statistics Code of Practice, how these can be applied in practice, and whether particular aspects of the various quality assurance approaches generate greater value and should be retained if resources are reducing.

Workshop 4: Scanner data
Organiser: Muhanad Sammar, Statistics Sweden, and Martin B. Larsen, Statistics Denmark
Meeting Room: XXIV, Working language: English

The primary objective of the workshop is to clarify the concepts of scanner data. A roadmap will be drawn up together with the participants, and recommendations on how to meet the challenges ahead will be formulated. The workshop will also address a number of important issues, such as: Quality assurance; Confidentiality; Cooperation and agreements with data providers; and Scanner data software.

12.30-14.30   Lunch

Workshop 5: Higher-level index formulas, substitution and CPI weight updates
Organiser: Marcel van Kints, Australian Bureau of Statistics
Meeting Room: XXVII, Working language: English

The workshop will examine the various higher-level price index formulas used to compile the CPI, including more recently developed approaches such as the geometric formula. The workshop will also examine approaches to minimise substitution bias in the CPI, particularly in the case when traditional weighting data from household expenditure surveys are available infrequently. A range of country practices and experiences will be presented along with opportunities for discussion of participant's topics.

Workshop 6: Quality adjustment: A general framework and the role of Hedonics
Organiser: Michael Silver, Brian Graf, IMF
Meeting Room: XXVI, Working languages: English, French and Russian

This workshop outlines data needs for and practical methods of quality adjustment. The data needs concerns product specifications and ways of including replacements. Some methods are relatively straightforward including imputation and linking; at the other extreme, direct more-complex methods include use of hedonic regressions. Such regressions are also used when there is a rapid turnover in transactions on models with differing characteristics, such as laptops, and can be applied to separately constructed monthly databases with prices and characteristics of different models from e.g. retailers' websites. We look at the practice of using such techniques.

Workshop 7: Seasonal products
Organiser: Federico Polidoro, National Institute of Statistics of Italy
Meeting Room: XXIII, Working language: English

The workshop will discuss possible methods to improve the treatment of seasonal products, including the following topics: For which product groups, such as fresh food, clothing and footwear, may the variable and the fixed weights approach be applied and what are the experiences from using these two approaches? What are the experiences with the European Union regulation on seasonal products for compilation of the Harmonized Consumer Price Indices (HICPs) of the EU member countries? How to deal with changing seasonality, i.e. when in-season months change from year to year? What are the alternatives to the fixed and variable weights approach?

Workshop 8: The Price Index Processor Software (PIPS)
Organiser: Paul Armknecht, Expert, and Niall O'Hanlon, Central Statistics Office of Ireland
Meeting Room: XXIV, Working language: English

The Price Index Processor Software (PIPS) offers a complete statistical system for the regular production of consumer and producer price indices by national statistical offices. It includes facilities for recording and storage of data, processing and index calculation. PIPS is based on open source code, available for free and can be adapted to the specific needs in countries. The workshop will give an overview of the PIPS software and how to use it. The PIPS software operates in a data base and client-server environment and offers users the improved compilation methods presented in the CPI and PPI Manuals. The workshop will provide examples of processing both CPI and PPI data.

17.30   End of first meeting day

Tuesday 27 May – Plenary Meeting. Room XXVI

09.30	**Welcome and opening of the meeting**

09.40   **Session 1: Reports from the workshops**

Reports from workshops 1 – 8, followed by questions and discussion

11.00-11.20   **Coffee break**

11.20   **Session 2: Update of the 2004 CPI Manual**

Session Chair: Peter van der Ven, OECD

Issues Paper on a possible update of the *2004 CPI Manual*, prepared by the Intersecretariat Working Group on Price Statistics (IWGPS). Carsten Boldsen, UNECE

12.30-14.30   **Lunch**

14.30   **Session 3: Methodological issues I**

Discussant: Claude Lamboray, Statistics Luxembourg

Treatment of seasonal products and CPI volatility. Oguz Atuk, Mustafa Utku Ozmen, and Orhun Sevinc, Central Bank of Republic of Turkey

An Empirical Illustration of Index Construction using Israeli Data on Vegetables. Erwin Diewert, University of British Columbia, Canada

Will the real inflation rate please stand up – overlooked pitfalls of a favoured chain-linking technique. Dr Jens Mehrhoff, Deutsche Bundesbank, Germany

15.50-16.10   **Coffee break**

16.10   **Session 4: Methodological issues II**

Discussant: Patrick Sillard, National Institute of Statistics and Economic Studies (INSEE), France

The FEWS index: fixed-effects with a window-splice. Non-revisable quality-adjusted price indexes with no characteristic information. Frances Krsinich, Statistics New Zealand

Private Label Brands versus National Brands: Some Implications for the Construction of the CPI. Satoshi Imai, Statistics Bureau of Japan, and Tsutomu Watanabe, University of Tokyo

Estimating daily inflation using scanner data: A progress report. Tsutomu Watanabe, University of Tokyo, and Kota Watanabe, Chuo University and University of Tokyo, Japan

Room Document: Experiences in calculating the consumer price index in Azerbaijan. The State Committee on Statistics of the Republic of Azerbaijan

17.30   End of second meeting day

17.30-19.00   **Reception at the Restaurant des Delegues, Palais des Nations, 8th floor**

Wednesday 28 May – Plenary Meeting. Room XXVI

09.30	**Session 5: Price collection methods**

Discussant: Merav Yiftach, Central Bureau of Statistics, Israel

Collecting clothing data from the internet. Leon Willenborg, Robert Griffioen, Jan de Haan and Karlijn Bakker, Statistics Netherlands

Exploiting new technologies and new data sources – the opportunities and challenges associated with scanner data. David Fenwick, International Expert, UK

Sampling Selection Bias in Consumer Price Indices. Kristina Strandberg and Anders Norberg, Statistics Sweden

11.00-11.20	**Coffee break**

11.20	**Session 6: Difficult to measure products and services**

Discussant: Corinne Becker Vermeulen, Statistics Switzerland

Mobile Phone Service Computing Methodology. Rafael Gaona Lopez, INEGI, Mexico

Methodological approaches to recording certain types of services in the consumer price index in Belarus. Ekaterina Grikhanova, National Statistical Committee of the Republic of Belarus

Alternative Approaches to Commercial Property Price Indexes for Tokyo. Erwin Diewert, University of British Columbia, Canada, and Chihiro Shimizu, Reitaku University, Japan

12.30-14.30	**Lunch**

14.30-16.00	**Session 7: Management**

Discussant: Levan Karsaulidze, National Statistics of Georgia

Statistics Canada's Consumer Price Index Enhancement Initiative (CPI EI). Haig McCarrell, Statistics Canada

Quality management. Patrick Kelly, Statistics South Africa

High quality official statistics – benchmarking as an integral part of a quality management system. David Fenwick, International Expert, UK

16.00-16.20	**Coffee break**

16.20	**Future work**

Proposals for topics to be discussed at a possible meeting of the Group of Experts on Consumer Price Indices in 2016

16.40	**Any other business**

17.00	**End of the meeting**