The meetings of the Group of Experts on Consumer Price Indices – 40 years on

David Fenwick

Geneva, May 2018
Some history

• First meeting 1978
  – ILO initiative
    • To promulgate & share good practice

• Since 1978
  – 17 meetings
  – 500+ papers
    • Significant and increasing participation by developing countries or countries in transition
  – 60 organisations plus many international experts
  – Exceptionally wide range of issues

• Links built with UN Ottawa Group on CPIs (first meeting in 1994)
  – Common delegates
  – Formal contact via Inter-Secretariat Working Group on Consumer Price Indices
  – Ground breaking research of Ottawa Group feeds into practical applications of Expert Group
Achievements

- Sharing of expertise – Practitioners and Researchers
  - UNECE publications, website etc
- Identification and advice on common compilation issues
  - Or referring to Ottawa Group for advice (two-way communication)
- Identification of future axes of research
- Recommendations/feedback to Conference of European Statisticians (CES) and its Bureau
  - Prioritisation of future work programmes
  - Role of CPI Steering Group – to monitor, guide, consult, advise
- Indirect input into
  - ILO resolutions on CPIs (1987 & 2003)
  - 1989 ILO/Turvey manual on CPIs (manual acknowledges input from 1981 & 1986 ILO meetings)
- Application of better CPI methodology in index construction
Overview of functioning of Expert Group and recent developments

- Remit to promulgate good practice in index compilation by sharing good practice and discussing mutual problems confronted by index compilers
- Recent developments
  - The setting up of **workshops** taking place in the margins of the main meeting
    - First introduced in 2010
    - Have proved valuable in facilitating in-depth discussions on the practical compilation of CPIs
    - Topics covered have reflected the practical needs of CPI compilers based on expressions of interest from countries
    - Positive feedback
  - The introduction in 2016 of **poster sessions**
    - Have given delegates the opportunity to communicate their ideas in an informal manner
    - A much more interactive environment and more inclusive
  - More **room documents**
    - Add value in terms of facilitating further exchanges of experience and also in promoting debate
Topics covered: a change in emphasis over last 10 years

• Shift towards exploitation of new data sources – scanner & Big Data
  – Especially for prices but also for sales
  – Reflects move to e-commerce and access to electronic data
  – Potential for more cost-effective data gathering

• No parallel increase in studies on index calculation
  – Alternative forms of index compilation have higher profile at the Ottawa Group
  – No change in number of papers on quality management
    • Despite considerable challenges with manipulating scanner data and Big data

• Compilation of house price indices is a topic of great interest
  – Generated by owner-occupier housing costs, fed compilation of Eurostat's Handbook on Residential Property Price Indices (2013)
  – Also house prices are one of IMF’s financial soundness indicators
  – Commercial property price indices - a financial soundness indicator but not a building block to a CPI. More suitable for an alternative forum

• More papers on measurement of services
  – Inherent measurement difficulties - basic conceptual and measurement issues and data issues……. Unfinished business?
Future Priorities and Future Working

Goal should continue to be the **cost effective production of a coherent family of good quality and fit-for-purpose price indices meeting user needs and using internationally recognised standard and harmonised methodologies**

Facilitated by

- Strategic inputs into future agendas
- Individual countries committing to taking forward in own index development and to move agenda forward in their national index development programmes
- A reaffirmation to share experiences
- Full exploitation of relationships Ottawa Group experts

What does this mean in terms of future priorities?
The meetings of the Group of Experts on Consumer Price Indices – 40 years on

PANEL DISCUSSION