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Report of the Inter-Secretariat Working Group on Price Statistics

Prepared by the World Bank

The report outlines the status of the update of the Consumer Price Index Manual, which is currently underway, and the next steps leading to its submission to the Commission for endorsement in 2019.

I. Introduction

1. The Inter-Secretariat Working Group on Price Statistics (IWGPS) was formed by the United Nations Statistical Commission (UNSC) and consists of representatives of the Statistical Office of the European Union (Eurostat), the International Labour Organization (ILO), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), the Economic Commission for Europe (UNECE), and the World Bank. The Chair is currently held by the World Bank.

2. The present report informs the Commission of the progress of work carried out since its forty-eighth session in the area of price statistics, mainly on the update of the Consumer Price Index (CPI) Manual, ahead of its submission for endorsement by the UNSC in 2019. Before the submission for endorsement, a formal consultation of countries on the final draft of the Manual will take place between June and September 2018. Additionally, CPI Manual draft chapters will be posted on a secure website, for comments from CPI compilers and data users, starting in early 2018.

II. Updating the Consumer Price Index Manual: Theory and Practice

3. Since the publication of the 2004 CPI Manual, methods and best practices have continued to evolve. During the 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.

4. As reported to the Commission at its forty-eighth session, the IWGPS endorsed and supported an update of the CPI Manual, with the IMF as lead agency, with a plan developed by the technical expert group for the update of the CPI Manual (TEG-CPI). The IWGPS is responsible for the overall management and for the final approval of the updated Manual, to be presented for consultation of relevant national statistical authorities, and to be endorsed by the UNSC.

5. The TEG-CPI was formed of international price index experts and compilers from national statistical offices. During 2017, the members of the expert group reviewed all chapters and presented outlines of the proposed changes and updates, which were discussed and agreed during the expert group meetings. Currently, for each chapter, a first draft is being finalized by the author and reviewed by the primary reviewer, both designated by the TEG-CPI. The expected timeline for the Manual update includes the submission of chapters to the primary reviewers for review and comment; posting of chapters on a secure website for review by CPI compilers and data users; the submission of final drafts to the IWGPS for any further comments and approval; the formal consultation of countries; and the submission of the final Manual for endorsement by the UNSC.

6. This update is not intended to include fundamental or comprehensive changes. The main objectives of the update include (i) providing 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) taking into account experiences gained on the applicability and usefulness of the 2004 Manual; (iii) incorporating relevant developments in methods and practices, as well as theory and research over the last decade; (iv) updating material on data sources, data collection methods, and related calculation methods to reflect developments since 2004; (v) reflecting recent developments in user needs; and (vi) harmonizing the CPI concepts in line

with the 2008 System of National Accounts. With this framework, the updated CPI Manual will include more practical compilation advice for compilers.

7. The expert group is also working on supplementary background materials, including a review of the theoretical and conceptual foundations of the consumer price indices, and of experimental and research work.

8. The CPI Manual has global outreach and the update should take into account that the manual targets producers and users in both developed and developing countries. The manual not only provides practical and methodological guidance to compilers, but also serves as valuable resource for users of CPI data.

9. In early 2018, and as available, the draft chapters will be posted on a secure website (<https://www.imf.org/en/Data/Statistics/cpi-manual>) for consultation of all CPI compilers and data users. CPI compiling agencies worldwide will be contacted to inform them of the availability of the chapters for comments. This consultation has the objective of obtaining feedback on the usefulness, clarity, and detail of the guidance provided by the updated CPI Manual.

10. After the final draft of the CPI Manual is approved by the IWGPS, a formal consultation of countries facilitated by the United Nations Statistics Division will take place. This consultation will occur between June and September 2018 and country authorities are expected to provide comments on the final draft of the CPI Manual, before its submission for endorsement by the UNSC in 2019.