

## **CLOSING REMARKS:**

**Chair: Jacob Ryten (Canada)**

The Chair, in opening the conference gave a broad outline of the purpose and role of this working group. Given the discussions arising from this first meeting, he asked the members five key questions in regard to future meetings: First, do we believe that we could have another meeting? Second, what should be discussed at that second meeting? Third, should the format be similar to this first meeting? Fourth, who is willing to volunteer papers and fifth, where should the next meeting be held?

To the first and third questions, the response was that there is a definite need for another meeting of the same format in a year from now. To the question of what should be discussed the following list of topics was presented:

- How to establish price indices for difficult areas such as insurance and gambling fees payable to a state agent.
- Product quality adjustment and the use of hedonic methods.
- The necessary steps for the harmonization of CPI.
- Clarifying concepts (e.g. What is a cost of living index?).
- Treatment of new products and outlets in price indices.
- Treatment of durable goods in the CPI.
- Index formulae at macro level, including the linking problem.
- Organization and techniques related to price surveys.
- Linkage between temporal and spatial price comparisons.
- Problem of seasonality and price indices.
- Measurement of inflation.

Of these topics three were retained for the next meeting:

### **Topic 1: Purposes and Concepts of Consumer Price Indices**

Given that consumer price indices serve many purposes, should official statistical agencies produce and publish several consumer price index series with specific uses in mind? Should the basic concept of the index change with its use? What are the practical estimations of consumer price indices based on specific concepts, and in particular, on the concept of cost-of-living.

### **Topic 2: Selected Difficult Areas of Consumer Price Indices**

Several areas of consumer price indices are recognized as difficult, and for this reason often entirely ignored in the computation. It was suggested that the discussion focus on the sharing of experience in defining and computing difficult areas such as insurances, gambling and financial services.

### **Topic 3: Product Quality Adjustment to Prices**

Discontinuities in price observations of the same products are inevitable. Their treatment is likely to be the major source of errors in the resulting price indices. The so-called splicing (linking) technique is one of the principal culprits, when used indiscriminately. The meeting will focus on the various approaches to the problem, including their practical aspects. More particularly, hedonic methods should be discussed.

The next meeting will be organized by Statistics Sweden and will be held in Stockholm on November 15, 16 and 17, 1995. A call for papers will be made by Statistics Sweden in the Spring of 1995.