

Introduction

This volume contains revised and lightly edited versions of papers presented at the Seventh Meeting of the International Working Group on Price Indices (the Ottawa Group). This material is complemented by reports of the various sessions arranged for discussions. The meeting was hosted by the Institut National de la Statistique et des Études Économiques (INSEE) of France in Paris from 27 to 29 May 2003.

Terms of reference of the Ottawa Group

The Ottawa Group is a city group set up in 1994 with the approval of the United Nations (Statistical Commission). It provides a forum for specialists and practitioners who work for, or are advisors to, national statistical agencies or international organisations to exchange their experiences and thoughts on crucial problems of measuring price change. The Group's strength is based on its professional authority, independence, and usefulness to national and international statistical agencies.

Without avoiding theoretical issues, the focus of the Group is on applied research, particularly though not exclusively, in the area of consumer price indices. The Group examines advantages and disadvantages of various concepts, methods and procedures in the context of realistic operational environments, supported by concrete examples whenever possible.

Only specialists actively involved in the application of the principles relating to the topics under discussion are invited to the Group's meetings as active participants. The proceedings from the sessions are edited and diffused. They contain the presented papers and the most important elements of discussions. They also include the Group's recommendations when a preponderant opinion clearly emerges from the discussions, or, if this is not the case, a summary of the discordant opinions with balanced commentary.

The Group may also assemble and publish compendia of materials related to specific topics of price statistics, composed of papers and of summaries of discussions from several meetings. Each of these publications could constitute chapters of a Handbook describing best practices in the given area of price statistics.

Organisation of the Group

The Group has a Steering Committee, which ensures both the continuity and evolution of the Group's activities. The Committee comprises representatives of the agencies that host the Group's recent or upcoming meetings together with others agreed to by the membership from time to time. The representative of the Australian Bureau of Statistics is currently serving as executive Secretary.

The Committee outlines long-term activity plans for the Group and proposes topics for the meetings. Meetings are organised in principle every 12-18 months, with topics established in advance for at least the next two meetings. The Committee extends calls to selected agencies for the submission of papers on the agreed topics and is responsible for the selection of papers to be presented. Their authors are invited to the meeting, possibly with other specialists whose

contribution to the discussion on a specific topic is considered useful. The number of active participants is kept limited for the sake of efficient discussion, however the host agency may invite a reasonable number of additional participants.

Although the meetings may be divided into sessions, these are not organised in a parallel manner. Each session is devoted to one, clearly defined topic with a designated moderator who is also responsible for producing a summary of the discussions and recording any recommendations.

The host agency provides facilities for the meeting and arranges for the hard-copy publication of proceedings. The participants bear the cost of travel, accommodation and subsistence during the sessions.

The copies of proceedings and information about the Group are also available on the Internet. The agency providing secretariat services (currently the Australian Bureau of Statistics) is responsible for maintaining a Web-site open to the public (www.ottawagroup.org). The Steering Committee may also decide to edit and periodically release compendia on selected topics, whenever it is warranted by the status of available materials.

Previous meetings of the Group

<i>Meeting</i>	<i>Date</i>	<i>Hosting Agency</i>	<i>Location</i>
First	November 1994	Statistics Canada	Ottawa
Second	November 1995	Statistics Sweden	Stockholm
Third	April 1997	Statistics Netherlands	Voorburg
Fourth	April 1998	US Bureau of Labor Statistics	Washington DC
Fifth	August 1999	Statistics Iceland	Reykjavik
Sixth	April 2001	Australian Bureau of Statistics	Canberra

The seventh meeting

The papers were grouped into eight categories for purposes of discussion. The sessions and chairs are shown in chronological order below (see detailed program of the meeting in appendix 1).

<i>Session</i>	<i>Chairs</i>
Coping with changing to complex pricing schemes	George Beelen
Use of hedonic regression	Mick Silver
Elementary aggregation, superlative indexes	Keith Woolford
Financial services, including insurances	Thierry Lacroix
New products, substitution between products and outlets	Bert Balk
E-commerce	Rósmundur Guðnason
ILO activities on CPIs	John Greenlees
Future directions, next meeting	Timo Koskimäki, Keith Woolford

In total, some 19 papers were presented for discussion with a further 3 papers submitted as room documents. All papers are included in this volume grouped according to topic and in order of presentation.

Chairs were charged with the task of summarising discussions for each session and these summaries precede the papers. Where appropriate, they also include the Group's recommendations for statistical agencies.

The last two sessions were specific: session 7 was devoted to ILO activities on CPIs and gave the Group the opportunity of providing comments on the draft revised CPI resolution to be approved at the ICLS meeting in November 2003; the future of the Group was discussed in session 8, that aimed in particular to agree about the topics of the next meeting.

The steering committee will report to the United Nations Statistical Commission and send them a copy of these papers and proceedings.

The next meeting of the Group will be hosted by Statistics Finland and held in Helsinki from 23 to 25 August 2004. A list of potential topics for this meeting, including following seven themes, was prepared by the Steering Committee for consideration of the participants:

- Price indices for services
- Relationships between PPI's and CPI's
- Housing
- Health
- Sampling
- Quality assurance of price indices
- Price index data processing – automation of the production process

This list of topics was generally welcomed. Some clarifications and additional topics were proposed during the discussion (see report of session 8 for more detail).

Participants also discussed the general role of the Ottawa Group and the ways in which the group contributes to the international statistical community. Generally, the work of the

Ottawa Group was seen as important and good practices presented in the meetings of the Group have been adopted as standards by statistical agencies and institutions. However, there was a general agreement that the Ottawa Group should, if possible, provide more formal feedback on its activities. It was proposed and accepted by the meeting that, once the new international manuals on price indices have been published, future discussions of the Group should take into account any relevant sections of the manuals. The meeting also wished to express its appreciation of the new ILO Manual on Consumer Price Indices and its thanks to all that have contributed to the work. Finally the meeting stressed the importance of ensuring the new ILO manual and the forthcoming new ILO resolution on Consumer Price Indices be consistent.

The Steering Committee has accepted the offer of the UK Office for National Statistics to host the meeting after Helsinki.

Finally, I would like to thank all the people who got involved in the organisation of this event and contributed to a pleasant, interesting and efficient meeting:

- my colleagues of the Steering Committee - Bert Balk (Statistics Netherlands), George Beelen (Statistics Canada), John Greenlees (BLS), Timo Koskimäki (Statistics Finland), Keith Woolford (ABS) - and Dominique Guédès (INSEE, Consumer Prices Division) for their assistance in planning for this meeting and their shrewd advice;
- the chairs - Steering Committee members, Rósmundur Guðnason (Statistics Iceland) and Mick Silver (Cardiff University) - who kindly conducted the debates and effectively prepared reports of the different sessions;
- all participants for the quality of presented papers and their active contributions to discussions;
- Aline Savignac, Lucile Chevret and Guy Fache (INSEE, Statistical Co-ordination and International Relations Directorate), for their invaluable help, especially regarding logistics, secretarial work, management of the website and translation.

I hope that the contents of this volume will be of some use for CPI statisticians while encouraging further research on price indices.

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