OPENING REMARKS

Mr. Gösta Guteland, Deputy Director General

Welcome to the second meeting of the International Working Group on Price Indices! We are very happy that so many and experienced experts have come to Stockholm. There are more countries represented at this meeting than at the first one in Canada. This is a very positive sign that can be interpreted in two ways. Either the first one was such a success that many want another meeting or a visit to Stockholm is very attractive. Personally I believe in the first explanation. This time of the year is not the best one for a visit to Sweden and Stockholm but we hope that you will have an opportunity to have some sightseeing in the surroundings.

Let me remind you of the closing remarks by Jacob Ryten at the first meeting of the group. He had five questions formulated in the following way: 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 the first meeting? Fourth, who is willing to volunteer papers and fifth, where should the next meeting be held?

The answers are obvious. A second meeting has just started. We have an agenda. We have a lot of inspiring contributions. Statistics Sweden is happy to be a host for the meeting.

Already at the meeting in Canada there was an agreement about the choice of topics. One was about the "Purposes and Concepts of consumer Price Indices", another was "Selected Difficult areas of Consumer Price Indices" and a third was about "Product Quality Adjustment to Prices". All of them are very relevant for the discussions both in Europe and in other parts of the world.

There might be some differences in the opinions about main problems of the measurement of prices today. If you ask statisticians in North America the answer will perhaps be that we have to reduce the bias in the CPI. If you ask the same question in Europe I suppose the answer will be that the main problem is to create an harmonised index, biased or not, that could be used in all European countries.

Personally I am surprised to see how experts in statistics can come to so different views on how to measure prices as they have in the Community. I will not repeat all arguments for geometric or arithmetic mean prices that have been discussed in the Council, but I want to state the fact that there is need for compromises to come to an agreement. Compromises are however not always the best solutions. The problems do not disappear after the decisions.

In our internal committee on price indices we rather often go back to questions that were raised at least 40 years ago and that has not yet come to a final decision. I am sometimes supposed to see how much we have saved of protocols from that time. As a matter of fact it is possible to go back a lot in historical material about price indices in Sweden. Some of it is more than 100 years old. We do not solve the problems when are looking back but at least we can keep a distance to the problems we have to solve today. We have also old traditions to work carefully with the problems and to be anxious to have good quality in the measurements.

An important part in this work is to listen to other experts and to be active in the international co-operation. This is why we are so happy to have all of you here today.