

# Introduction

This volume contains revised and lightly edited versions of papers presented at the Sixth Meeting of the International Working Group on Price Indices (the Ottawa Group). The meeting was hosted by the Australian Bureau of Statistics in Canberra from 2 through 6 April 2001.

## Terms of reference of the Ottawa Group

*The Ottawa Group 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 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 Statistics Canada is a permanent member, 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 once a year, with topics established in advance for at least the next two meetings. The Committee extends calls to the member agencies for the submission of papers on the agreed topics and it 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 additionally invite a reasonable number of observers.*

*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. Furthermore, each topic has a designated person 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. Prices Division, Statistics Canada, is responsible for maintaining a web-site open to the public. 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

### **The sixth meeting**

The papers were grouped into five broad categories for purposes of discussion. The sessions and moderators are shown in chronological order below.

<i>Session</i>	<i>Moderator</i>
Quality adjustment and scanner data	Bert Balk
New and disappearing goods	Keith Woolford
Financial services	Mick Silver
Miscellaneous areas of new or ongoing research	John Greenlees
Telecommunication services.	Erwin Diewert

In total, some 28 papers were presented for discussion with a further 3 papers submitted as room documents. Several papers had been published previously, but were included for discussion as they were relevant to the topics. All papers are included in this volume grouped according to topic and in order of presentation

In addition, Walter Lane moderated a session devoted to the discussion of problems currently being experienced by compilers of CPI's. Meeting participants submitted, in advance, questions or details of problems. A number of issues were forthcoming and discussed.

Moderators 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.

At the invitation of the Technical Expert Group – Consumer Price Index (TEG–CPI), a session was devoted to a discussion of the new manual on consumer price indices being prepared for the International Labour Organisation (ILO). The major concern of Ottawa Group participants was that the manual lacked a clear focus. They felt the principal objective of the manual should be to provide guidelines to statisticians in national agencies responsible for compiling consumer price indexes. The consensus views of meeting participants were conveyed in a communiqué to the TEG–CPI, a copy of which is reproduced in Appendix 1.

With the concurrence of the ILO, a draft revised *Resolution concerning consumer price indices* was circulated to participants. The draft was prepared by former Australian Statistician, Mr W. McLennan as a consultant to the ILO. The ILO recognised the expertise of Ottawa Group participants and welcomed any comments they had on the draft resolution. A copy of the draft resolution is reproduced in Appendix 2.

The next meeting of the Group will be hosted by the Institut National de la Statistique et des Études Économiques (INSEE) and held in Paris in November 2002. Mr Thierry Lacroix outlined initial proposals for the meeting. He suggested that the meeting be held over three days with a maximum of 20 papers for presentation, with papers to be available four months prior to the meeting. The key topics proposed for this meeting are:

- financial services (including insurance);
- health and social services;
- e-commerce; and
- coping with changes to complex pricing schemes.

Some participants were concerned that the meeting should not preclude other topics if major works of substance were to emerge in the meantime. There was also concern that the group maintain a format and size that permitted in depth discussion of papers submitted. Mr Lacroix would further consider these matters in consultation with steering committee members.

The steering committee has accepted the offer of Statistics Finland to host the meeting after Paris.

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

Finally, I would like to extend my thanks to the many people who contributed so much to the success of this meeting:

- my fellow steering committee members – Louis-Marc Ducharme (Statistics Canada), Bert Balk (Statistics Netherlands), John Greenlees (BLS), Thierry Lacroix (INSEE) and Rósmundur Guðnason (Statistics Iceland) – for their assistance in planning for this meeting;
- all participants for the quality of presented papers and their enthusiastic and insightful contributions to discussions; and

- Michelle Moore and Bill Ferris of ABS for their tireless work behind the scenes and for the support they provided to moderators.

Copies of the papers and proceedings are also available on CD-ROM from the Australian Bureau of Statistics and the Ottawa Group website maintained by Statistics Canada at [www4.statcan.ca/secure/english/ottawagroup](http://www4.statcan.ca/secure/english/ottawagroup).

I hope that this volume contains material that will directly benefit compilers of official price indexes while encouraging further research in this important field of statistics.

Keith Woolford  
Canberra