

Appendix 1: Communiqué to the TEG-CPI from the sixth meeting of the International Working Group on Price Indices (the Ottawa Group) on the ILO manual on CPI

This communiqué contains the consensus view of the sixth meeting of the Ottawa Group (held in Canberra, Australia, April 2001) with respect to the ILO manual on CPI.

Purpose of the manual

The meeting confirmed that the principal purpose of the manual should be to provide guidelines to statisticians in national agencies responsible for compiling consumer price indexes. The manual must include the relevant theory so as to allow the practical aspects to be put into context. It should include the key choices available to practitioners, and spell out the consequences of those choices. In other words, it should articulate international best practice (e.g. bias minimisation) but emphasise flexible application to suit particular circumstances. When conditions apply, they should be spelt out, to minimise misunderstandings. The manual should also spell out practices to be avoided. The manual is also seen as a key training resource (within agencies).

Intended Audience

The meeting saw the main audience of the manual as being price index practitioners – that is those statisticians actually responsible for the day-to-day compilation of consumer price indexes – in all countries. The manual should be structured in a way that is most accessible to this audience. The manual must cover issues relevant to developing and transition countries, as well as those relevant to developed countries. A secondary audience is the more sophisticated users of price indexes (such as Central Banks, Ministers of Finance, national accountants who use price indexes for deflation purposes etc).

Consequences/Issues

1. The editors should bear the above points in mind.
2. The manual needs to be written in terms that can be readily understood by its target audience. The manual should not be too prescriptive but should contain flexible best practice. It should recognise that choices are made in CPI compilation and it should set out the issues involved in those choices.
3. The manual must draw together both theoretical and practical approaches (with cross referencing). Consideration could be given to having more than one manual or volume. For example, the ILO could publish a general manual on price index theory and basic sampling issues together with an applications manual for CPI and an applications manual for PPI. This issue could be referred to the PPI-TEG for comment.
4. There is a need to encourage input from developing/transition countries to ensure that issues particular to them are covered. Focal groups may be useful for this purpose. There is also the need to seek input from national statistical offices, with particular emphasis on how relevant the manual is to their particular problems.
5. There was general concern that the timetable for completion of the manual was unrealistic given the amount of work yet to be done.
6. The manual should be a "living document", that is it should be updated. A mechanism needs to be established to ensure this is done. Consideration needs to be given to the

number of pages of the manual and its structure, given that all the material in the manual needs to be accessible. It must be translated into languages other than English, and should be released in a number of forms (e.g. paper, CD ROM, web-version etc).

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