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**United Nations Economic Commission for Europe  
Statistical Division**

# **CPI compilation during covid-19 Guidance note by IWGPS**

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## Overview

1. About the IWGPS
2. IWGPS CPI Business Continuity Guidance
3. Issues for further consideration

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# IWGPS



- Intersecretariat Working Group on Price Statistics (IWGPS)
- Established in 1998 to update the 1989 CPI Manual
- Members: Eurostat, ILO, IMF, OECD, UNECE and World Bank
- Purpose of IWGPS:
  - Develop international standards and recommendations of best practices
  - Support implementation of recommendations and best practices
  - Coordinate international work on price statistics



# IWGPS CPI Business Continuity Guidance

- Released 20 May 2020
- Based on the 2020 *CPI Manual* and inputs and experiences from countries and organisations
- Purpose:
  - Give operational guidance to countries in line with international statistical standards
  - Promote international comparability
  - Provide international reference for national statistical offices



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# IWGPS CPI Business Continuity Guidance

The note gives guidance on

- Data collection
- Imputations
- Communication
- Working remotely/telework (Annex 1)

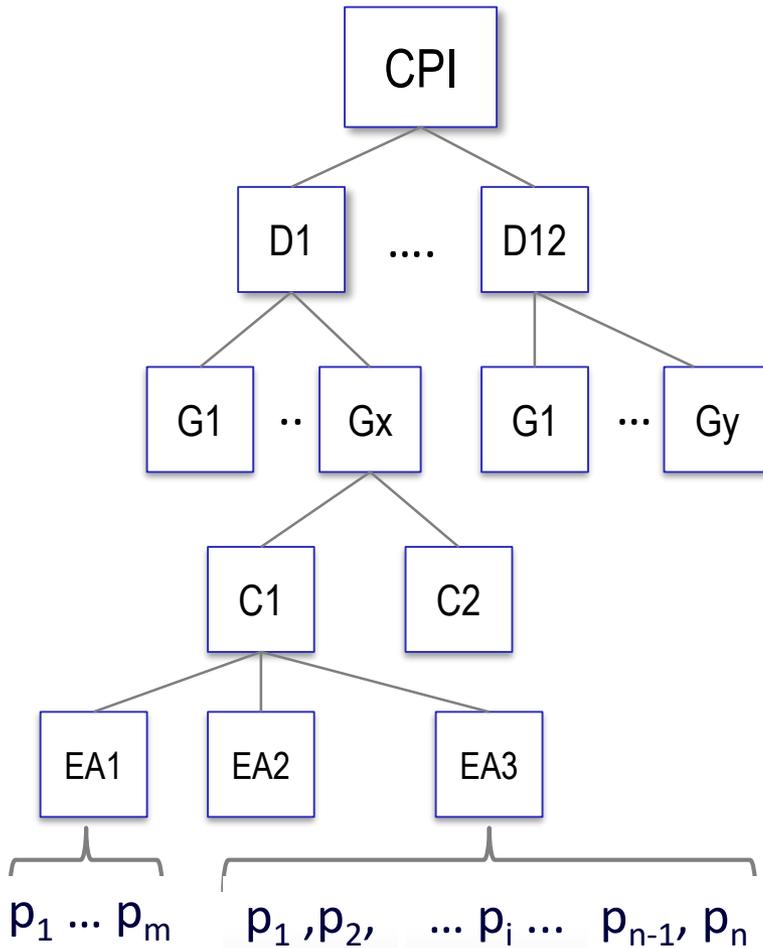
## Data collection

### Price collection from outlets that remain open

- Suggests alternative sources & methods: web, newspapers, telephone, e-mail, in person price collection by NSO staff, scanner data
- Give more guidance on areas with particular impact, hotels and restaurants, airline transport, package holidays

When it is not possible to obtain suitable prices, they should be treated as temporarily missing and imputed

# Missing prices



All-items CPI

Divisions

Groups

Classes

Elementary Aggregates

Individual prices

# Imputations

## Distinguish between two cases

- **Imputations for available products**
  - There are market transactions but it not possible to collect (enough) prices because of restrictions
- **Imputations for unavailable products**
  - when markets are closed down
  - no transactions and no prices

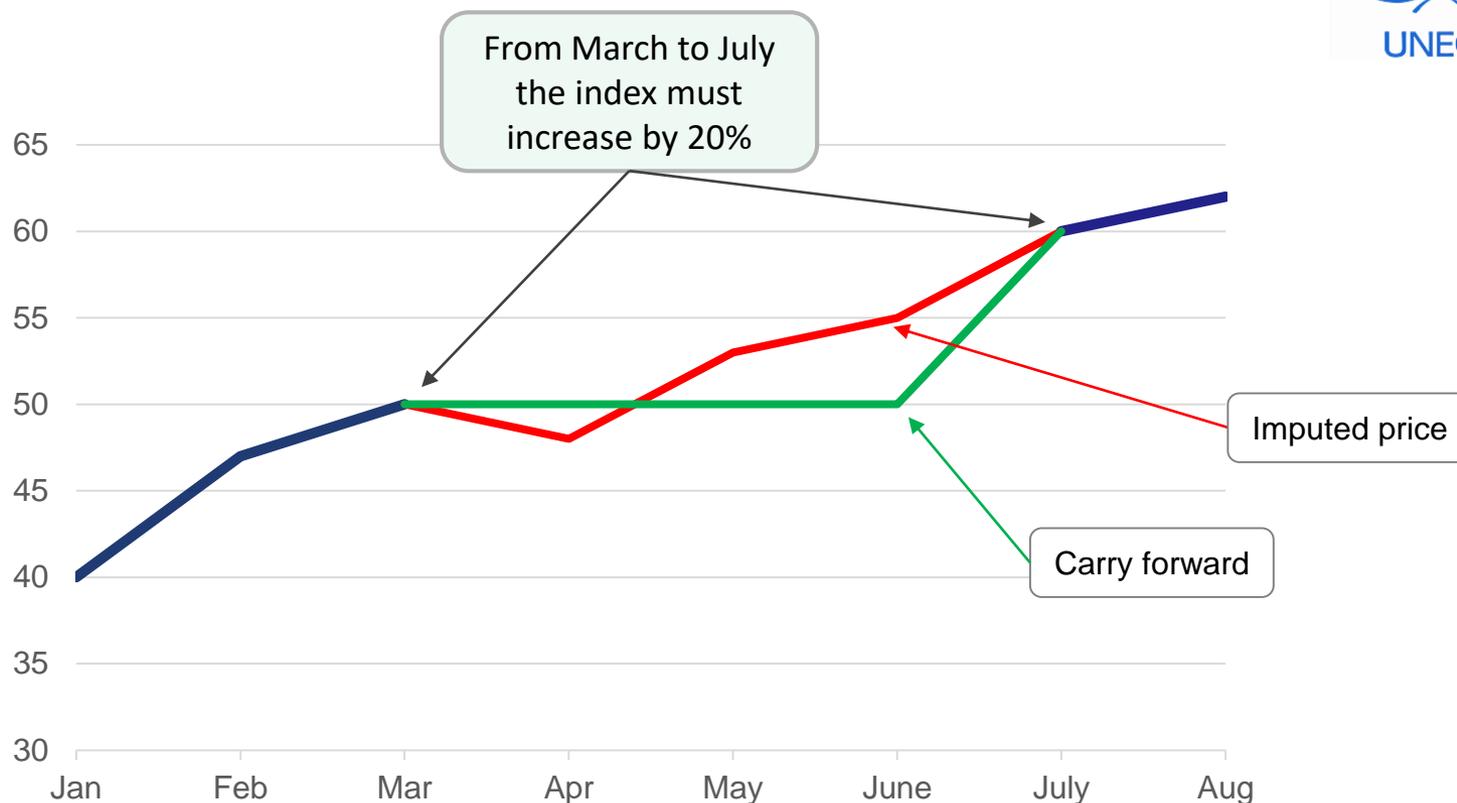
## Imputations for available products

### Recommended methods

- Impute missing price by price change of comparable products or nearest parent (higher aggregate) index
- Specific guidance for products with strong seasonal price variation due to possible large impact on m/m & m/m-12 rates of changes
- Carry forward, in general not recommended; use only when this can be justified

In all cases, methods must be 'self-correcting' and return to the correct level after the lockdown

## Self correction



- Whether unobserved prices are imputed or carried forward should not influence the index over the lockdown period
- All price changes must be captured in the index

## Imputations for unavailable products

### Recommended methods

- Impute with comparable elementary index or nearest available higher-level price index
- Impute with all-items CPI
  - Corresponds to leaving the elementary aggregate out of the CPI calculation
- Carry forward
  - In general not recommend, but may be used if duly justified for products with stable prices

## Other issues

### Seasonal products

- To the extent possible, treat out-of-season products according to usual procedures (2020 CPI Manual chapter 11)

### Regional indices

- Impute missing prices by available prices/indices within the region following methods listed above. If an entire region is missing, impute by CPI of neighbouring or similar region or the national CPI

### Expenditure weights

- Keep weights fixed adhering to the regular schedule for updating weights. Changing weights not consistent with fixed basket approach and will create breaks in time series

### Documentation

- Methods must be documented to support production and for information of users

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## Communication

- Follow good practices for dissemination of official statistics
- Be transparent to ensure public trust in the CPI – provide documentation of methods and procedures
- Continue to publish all CPI sub-indices, also if these are imputed
- Information about imputations because of COVID-19 should be provided with the release of the CPI
- Indices with full or significant imputations due to COVID-19 should be flagged
- If possible, address the impact on the overall quality of the CPI



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## More information

**Eurostat:** [https://ec.europa.eu/eurostat/documents/10186/10693286/HICP\\_guidance.pdf](https://ec.europa.eu/eurostat/documents/10186/10693286/HICP_guidance.pdf)

**IMF:** <https://www.imf.org/en/Publications/SPROLLs/covid19-special-notes#stats>

**ILO:** <https://ilostat.ilo.org/topics/covid-19/>

**OECD:** <https://community.oecd.org/community/official-stats-workspace-covid19>

**UNECE:** <https://statswiki.unece.org/x/roKSE>

**2020 CPI Manual:** <https://www.imf.org/en/Data/Statistics/cpi-manual>

## Issues for further consideration

1. Thresholds for how many prices may be missing before implementing lockdown imputation rules
2. The distinction *available – non available* products is crucial for choice of methods and interpretation of the CPI
3. Expenditure weights:
  - IWGPS recommends keeping weights constant
  - what are user needs?
  - practical and conceptual implications
4. Guidance when lockdown is lifted: widening price collection and reducing imputations
5. What to do about future CPI weights that will be based on 2020 consumption data?
6. More guidance/examples on management/logistics?
7. Long-term effects of covid-19 – risks and opportunities?