# UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

# CONFERENCE OF EUROPEAN STATISTICIANS

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Approved

<u>Item IV (c) of the Provisional</u> <u>Agenda</u>

# TERMS OF REFERENCE OF THE STEERING GROUP ON CONSUMER PRICE INDICES

# **Prepared by the Steering Group**

The terms of reference of the Steering Group on consumer price indices expire in 2020. The Bureau reviewed the work of the Steering Group and approved the proposed updated terms of reference for the Group for 2020-2025.

#### I. BACKGROUND

- 1. The Steering Group on consumer price indices (CPIs) was established by the Bureau of the Conference of European Statisticians (CES) in February 2017 to guide the CES work on CPIs. The terms of reference<sup>1</sup> of the Steering Group expire in 2020.
- 2. Section II of this note gives a brief overview of work carried out by the Steering Group from 2017 to 2020. Sections III VIII outline the details of the proposed updated terms of reference until 2025.

#### II. PROGRESS OF WORK

3. From 2017 to 2020 the Steering Group has contributed to the following activities:

## (a) Meeting of the Expert Group on Consumer Price Indices in May 2018

- 4. The meetings of the Expert Group on CPIs are organized every second year in cooperation with ILO. These meetings are a unique forum for CPI experts from the region and beyond to exchange experiences and good practices and contribute to the development of international recommendations and guidelines on CPI. The meetings are attended by price statisticians from the CES member countries and organizations. A growing number of countries from Africa, Asia and South America also participate.
- 5. The 2018 Expert Group meeting on CPIs took place on 7-9 May. A hundred and fifty participants discussed four substantive topics: new data sources; services in the CPI; methodological issues; and understanding and meeting different user needs. During poster sessions, countries and organizations presented their practical experiences in areas such as big data and web scraping; the use of scanner data; integration of different data sources; adjustment

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for quality changes; sampling and open-source survey apps for price collection. To mark the 40<sup>th</sup> anniversary of the CPI Expert Group, a panel session was organized to discuss future challenges in CPI compilation. The panel identified five key methodological issues that should be addressed: the use of scanner data and big data; seasonal products; durable goods; financial services; and goods and services provided for free. A special session was organized for countries of East Europe, Caucasus and Central Asia (EECCA), South-East Europe (SEE) and other interested countries to discuss methodological and practical problems particular to this group of countries.

# (b) Regional CPI workshop in September 2019 in Belarus

6. A workshop on CPI compilation on 11-13 September 2019 in Minsk, Belarus, was organized in cooperation with the European Free Trade Association (EFTA) and the Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT). The workshop was organized as a part of the programme to support statistical capacity development in Eastern Europe and the Commonwealth of Independent States countries (ECASTAT). The following topics were addressed during the workshop: data collection and data sources; missing observations; index calculation and weighting; alternative CPI aggregates; rented dwellings and owner-occupied housing; meeting user needs. The topics were collected during the Special Session for EECCA and SEE countries at the CPI Expert Group meeting in May 2018. The workshop, which was attended by 25 statisticians from EECCA countries and Mongolia, included presentations from participating countries and training by national experts from Norway and Switzerland.

# (c) Meeting of the Expert Group on Consumer Price Indices in June 2020

7. The 2020 CPI Expert Group meeting that was scheduled to take place 2-4 June 2020 was postponed to June 2021 because of Covid-19. The topics planned for the 2020 meeting will be discussed at the meeting in June 2021 (see section V below).

#### (d) Covid-19 related activities

8. A designated webpage with guidance on producing CPI during the Covid-19 pandemic was launched in March 2020 (<a href="https://statswiki.unece.org/x/roKSE">https://statswiki.unece.org/x/roKSE</a>). The website contains the business continuity guidance by the Intersecretariat Working Group on Price Statistics (IWGPS)<sup>2</sup>, experiences and examples of good practices from countries (e.g. Australia, France, Netherlands, Norway, United Kingdom), links to online tools for price collection and an open discussion forum where experts can exchange experiences and good practices. The website also includes links to material and websites provided by Eurostat and OECD. A series of four webinars on producing CPI during lockdown is planned to take place in autumn 2020. Details about the webinars are included in section V.

#### (e) Coordination of international activities

9. All activities have been coordinated with the IWGPS and the Ottawa Group on Price Indices. The activities of the UNECE Expert Group on CPIs were included in the report of the IWGPS to the United Nations Statistical Commission in March 2020. As a result of the move of the UNECE Expert Group meeting to 2021, the meeting of the Ottawa Group that was

<sup>&</sup>lt;sup>2</sup> The members of the IWGPS are Eurostat, ILO, IMF, OECD, UNECE and World Bank.

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planned to take place in May 2021 in Rome, Italy, has been postponed to 2022. Hence, the meetings of the two groups continue to be organized alternately with one year's time difference.

#### III. MANDATE

10. The work of the Steering Group is carried out within the CES work programme. The Steering Group reports to the Bureau on the CES activities on CPIs, as well as on emerging issues in the area.

#### IV. OBJECTIVE

- 11. The objective of the Steering Group is to guide the UNECE Secretariat in its work on CPIs. To this end, the Steering Group should:
- (a) Guide the Secretariat in the planning and organization of the biennial meetings of the Expert Group on CPIs;
- (b) Follow the development of recommendations and guidelines and their implementation, including collaborating on developing training materials, etc.;
- (c) Identify areas where additional work and research are needed to support countries in improving their price statistics, taking recommendations of the CES Bureau into account;
- (d) Advise the Secretariat on capacity development activities to support the implementation of international recommendations and guidelines on CPI in EECCA and SEE countries. Capacity development activities should be closely coordinated with regional and international partners;
- (e) Ensure consultation and coordination with IWGPS and the Ottawa Group and other relevant groups and organizations on ongoing and planned activities in the area of CPI.

#### V. PLANNED ACTIVITIES AND OUTPUTS

- 12. The main activities and outputs of the Steering Group on CPIs in 2020-2025 will be the following:
- (a) A series of four webinars on producing CPI during lockdown are being planned to take place on 21 and 28 October, and 4 and 11 November 2020. The webinars are organized in cooperation with the Ottawa Group. Based on the experiences from the Covid-19 pandemic, the webinars will discuss best practices in data collection, imputation of missing prices and dissemination and communication. The outcome of the webinars will serve as input to the session on producing CPI under lockdown at the 2021 CPI Expert Group meeting;
- (b) Organization of the biennial meetings of the Expert Group on CPIs. The meeting in 2021 is planned to take place on 2-4 June. The Steering Group will decide later, if it will take place as a physical meeting or be organised as a virtual meeting. The following issues will be discussed: new data sources (scanner data and web scraping); the digital and sharing economy; the role of the CPI in measuring well-being; quality adjustment; methodological issues; and understanding and meeting user needs.

- (c) A special session on producing CPI under lockdown will be organized based on the outcome of the 2020 CPI webinars and contributions from countries and organisations. As a concrete output of this session, recommendations and good practices should be summarised in a document that countries may use for future reference;
- (d) Follow-up on the upcoming 2020 CPI Manual that was endorsed by the UNSC in March 2020. Address issues on the implementation of the recommendations of the Manual and identify possible emerging CPI issues;
- (e) Advise the Secretariat on capacity building activities on CPI for EECCA and SEE countries, e.g. through workshops and special sessions for this group of countries;
- (f) Ensure close coordination with other activities and groups working with price statistics, in particular, IWGPS and the Ottawa Group on Price Indices.

#### VI. TIMETABLE

13. The work of the Steering Group on CPIs is ongoing. The CES Bureau will review the terms of reference of the Steering Group in 2025.

#### VII. METHODS OF WORK

14. The Steering Group will primarily work via electronic means. The Group will meet face-to-face on the occasion of the CPI Expert Group meetings. Additional meetings may be organized at events attended by a significant number of Steering Group members, such as the meetings of the Ottawa Group on Price Indices. All documents related to the work of the Steering Group are posted on a designated wiki page.

## VIII. MEMBERSHIP

- 15. The composition of the Steering Group should reflect the different sub-regions of UNECE and ensure continuity of work. At present, the following countries and organizations are members of the Steering Group: France, Georgia, Italy, Mexico, Netherlands, South Africa, Switzerland, United Kingdom (Chair), United States (Bureau of Labor Statistics), Eurostat, CIS-STAT, ILO and OECD. The Group is open to other countries and agencies that may wish to contribute to the work of the Group.
- 16. UNECE acts as the secretariat of the Steering Group.

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