Producer Price Index Manual

Theory and Practice

International Labour Organization
International Monetary Fund
Organisation for Economic Co-operation and Development
United Nations Economic Commission for Europe
The World Bank

2004
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Foreword

This Producer Price Index Manual replaces the United Nations’ Manual on Producers’ Price Indices for Industrial Goods issued in 1979 (Series M, No. 66). The development of the PPI Manual has been undertaken under the joint responsibility of five organizations—the International Labour Organization (ILO), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development (OECD), United Nations Economic Commission for Europe (UNECE), and World Bank—through the mechanism of an Inter-Secretariat Working Group on Price Statistics (IWGPS). It is published jointly by these organizations.

The Manual contains detailed, comprehensive information and explanations for compiling a PPI. It provides an overview of the conceptual and theoretical issues that statistical offices should consider when making decisions on how to deal with the various problems in the daily compilation of a PPI, and it is intended for use by both developed and developing countries. The chapters cover many topics; they elaborate on the different practices currently in use, propose alternatives whenever possible, and discuss the advantages and disadvantages of each alternative. Given the comprehensive nature of the Manual, we expect it to satisfy the needs of many users.

The main purpose of the Manual is to assist producers of the PPI, particularly countries that are revising or setting up their PPI. The Manual draws on a wide range of experience and expertise in an attempt to describe practical and suitable measurement methods. It should also help countries to produce their PPIs in a comparable way, so that statistical offices and international organizations can make meaningful international comparisons. Because it brings together a large body of knowledge on the subject, the Manual may be used for self-learning or as a teaching tool for training courses on the PPI.

Other PPI users, such as businesses, policymakers, and researchers, make up another targeted audience of the Manual. The Manual will inform them not only about the different methods that are employed in collecting data and compiling such indices, but also about the limitations, so that the results may be interpreted correctly.

The drafting and revision process has required many meetings over a five-year period, in which PPI experts from national and international statistical offices, universities, and research organizations have participated. The Manual owes much to their collective advice and wisdom.

The electronic version of the Manual is available on the Internet at www.imf.org. The IWGPS views the Manual as a “living document” that it will amend and update to address particular points in more detail. This is especially true for emerging discussions and recommendations made by international groups reviewing the PPI, such as the International Working Group on Service Sector Statistics (the Voorburg Group) and the International Working Group on Price Indices (the Ottawa Group).
The IWGPS welcomes users’ comments on the Manual, which should be sent to the IMF Statistics Department (e-mail: TEGPPI@imf.org). They will be taken into account in any future revisions.

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