

INTERNATIONAL MONETARY FUND



# 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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ISBN 1-58906-304-X

**Cataloging-in-Publication Data**

Producer price index manual : theory and practice — [Washington, D.C.] : International  
Monetary Fund, 2004.

p. cm.

Includes bibliographic references.

ISBN 1-58906-304-X

1. Wholesale price indexes — Handbooks, manuals, etc. I. International Monetary  
Fund.

HB235.P76 2004

Price: \$125.00

Please send orders to:  
International Monetary Fund, Publication Services  
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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](http://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](mailto:TEGPPI@imf.org)). They will be taken into account in any future revisions.

A. Sylvester Young  
*Director*  
*Statistics Department*  
*International Labour Organization*

Heinrich Brünger  
*Director*  
*Statistics Division*  
*United Nations Economic Commission for Europe*

Rodrigo de Rato  
*Managing Director*  
*International Monetary Fund*

Shaida Badiee  
*Director*  
*Development Data Group*  
*World Bank*

Enrico Giovanini  
*Director*  
*Statistical Directorate*  
*Organisation for Economic Co-operation*  
*and Development*