



Rafael Diez de Medina  
Director  
Department of Statistics  
International Labour Organisation

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Dear Dr. Medina,

It is well known in the statistical community that the Consumer Price Index (CPI) for Argentina went through major methodological changes in 2007 which had the impact of significantly reducing the size of the increases of CPI. This occurred shortly after there was a major change in the senior staff of the Argentine Statistical Office including those responsible for producing the CPI. It has been suggested in numerous media reports that the CPI has been deliberately manipulated by the Argentine Government to reduce its repayment obligations on CPI indexed bonds.

The ILO is responsible for international standards for consumer price indexes. It is also one of the most important data sources for internationally comparable CPIs. To do this, it provides important information on the methods used by countries for the compilation of the CPI in Sources and Methods: Labour Statistics. The information provided for Argentina is inaccurate and does not reflect the current Argentine CPI compilation methods. To put it frankly, the CPI underestimates the actual level of price increases and users should be aware of the methods that are actually applied so they can take this into account.

This is very poor practice and contrary to the second and fourth Principles Governing International Statistical Activities. The ILO was a signatory to these Principles. I note the IMF has footnoted its figure for the Argentine CPI.

The ILO is a regular participant of events of the International Statistical Institute (ISI). You may be aware that the ISI has its own Code of Ethics. A copy is attached for your convenience. A number of ISI members, including some from Argentina, have asked me to intervene because there is a clear breach of the Code of Ethics, especially principles 1 and 9.

I urge you to address this situation and modify the documentation on the methods used for the compilation of the Argentine CPI. It may require a further update in the not too distant future as I understand the Argentine Government is proposing to make further changes based on the advice of the IMF. I would be grateful if you could advise me of what actions you propose to take as I have been informed that the Argentine CPI will be brought up as a topic for debate at the ISI's forthcoming World Statistics Congress to be held in Dublin from 21-16 August 2011.

Yours sincerely,

Jef Teugels  
President  
International Statistical Institute