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UK OFFICE FOR NATIONAL STATISTICS: VOORBURG 2002
CORPORATE SERVICES PRICE INDEX (CSPI)

MINI PRESENTATIONS ON PRODUCER PRICE INDICES

**CHALLENGES IN THE DEVELOPMENT OF A PRICE
INDEX FOR COMPUTER SERVICES IN THE UK**

Nick Palmer - UK Office for National Statistics

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Current scenario

- **high priority CSPI**
- **in demand from national accountants and other users, including industry itself**
- **proving one of the most difficult so far**
- **much work and research carried out**
- **no publishable price index yet**

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Initial development (97-99) not very successful:

- **small sample with high attrition**
- **less representative over time**
- **insufficiently detailed service specifications**
- **difficulties with changes in services and introductions of new services (no effective quality adjustment)**
- **little data on industry structure or weightings**

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New foundation for the next approach:

ONS survey in 2000 of turnover by computer service category, resulting in:

- **revised service categories**
- **reliable weightings**
- **alternative basis for sampling**
- **guide to appropriate coverage**

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Current work:

- **pilot of 50 responders to 2000 turnover survey selected**
 - **prices for specific services in chosen service categories (software services)**
 - **consultation with responders on services specifications and price determining factors**
 - **collect prices quarterly**
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Challenges (1):

- **small companies (<10 employees) normally excluded from UK surveys**
 - **account for 30% of industry turnover**
 - **sample attrition and new service providers**
 - **range and diversity of services**
 - **software services targeted first**
 - **burdens on responders**
 - **what additional data can be collected ?**
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Challenges (2):

- **development of quality adjustment strategy**
 - **an international issue**
- **consultative process**
 - **inclusion of trade associations, industry and academia**
- **experimental series by end 2003 ?**