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**Turnover by Detailed Products in
Japanese Service Statistics**

Session – Turnover

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Turnover by Detailed Products in Japanese Service Statistics

(summary)

In Japan, service statistics which grasp turnover by detailed products are limited on selected service industries such as information services and on communications industry as well as on wholesale and retail services. This can be related to guidelines to develop service statistics in Japan, and seems to be partly caused by the fact the main purpose of the detailed statistics on individual service fields is to provide basic data for administrative policy planning. We can see that grasping turnover by detailed service products in Japan is the consequence of grasping turnover of service fields on the activity basis in detail.

In this paper, we introduce the current situations of service statistics which grasp turnover by detail products and the related guideline to develop service statistics in Japan. The views expressed herein are those of the author, and are not necessarily those of the Statistics Bureau or other Japanese government authorities.

1. Current situations of service statistics which grasp turnover by detailed products in Japan

In Japan, service statistics which grasp turnover by detailed products are on selected service industries such as information services and on communications industry as well as on wholesale and retail services. (refer to Appendix 1)

Through the Survey of Selected Service Industries conducted by the Ministry of Economy, Trade and Industry (METI), turnover by category of business is grasped on the selected service industries including rental and leasing business and information service business.

(As to the Survey of Selected Service Industries, there will be another presentation to introduce the survey in this Voorburg Meeting.)

As to communications industry, through the Survey of the Communications Industry conducted by the Ministry of Public Management, Home Affairs, Posts and Telecommunications (MPHPT), turnover by service activity is grasped on telecommunications, broadcasting and cable television.

(As to results of the survey, see Appendix 2)

In addition, as to dynamic Statistics, through the Current Survey on Selected Services Industries conducted METI, trends of turnover etc. as grasped on the selected service industries.

2. Purposes to grasp turnover by detailed service products

The purposes of the above statistical surveys to grasp turnover by detailed service products are as follows.

(Survey on Selected Service Industries)

The survey is designed to obtain a clear picture of service industries in Japan and to provide basic data for developing measure concerning the service industries.

(Survey of the Communications Industry)

The purpose of this survey is to understand the state of industries involved with telecommunications, broadcasting, and cable television, and to provide basic data for the planning and promotion of various policies for government administration of communications.

(Current Survey of Selected Service Industries)

The survey is designed to understand management trends, such as monthly sales, revenues and the like in selected service industries, and to provide basic data for judging economic trends. It also offers basic data for the promotion of policy concerning the industrial structure and policy concerning small and medium-sized companies, and for the healthy development of the service industry.

In this way, the main purpose of the statistical surveys to grasp turnover by detailed service products is to provide basic data for administrative policy planning. On this account, it may be said that the division grasping detailed turnover in each service industry is decided by necessity on each administrative policy.

3. Guidelines to develop service statistics in Japan

The guidelines to develop service statistics in Japan is described in detail in another paper of this Voorburg meeting titled “Experiences and Future Directions in the Development of Service Sector Statistics in Japan” by the author. The points are as follows.

(step1: 1985)

In order to estimate SNA, it is necessary to measure the whole service sector consistently, and a wide and comprehensive statistical survey on service sector should be implemented. The survey focuses on common items of service sector.

Statistics by types of business should be developed preliminary on some of the important types of business which had weight in Japanese economy to an extent or had been developing rapidly. The statistics should contain specific survey items particular to the each individual type of business and the administrative purposes of it.

(step2: 1995)

Enhance the activity-based measurement of services in statistical survey on establishments and enterprises conducted by ministries and agencies concerned.

Dynamic statistics shall be steadily improved, taking into account the progress of improvement in wide and comprehensive statistics in service sector and service statistics by types of business.

(step3: 2003)

In order to help improve GDP statistics, the development of supply-side statistics for the services field (including public services field) shall be promoted.

In this way, as to development of service statistics in Japan, first of all we focused on development of a wide and comprehensive statistical survey on service sector. For this purpose, the Survey on Service Industries was created in 1989. The purpose of the statistical survey is as follows.

“To clarify the basic structure and activities throughout Japan of establishments engaged in service industries by kind of business and number of persons engaged in order to provide basic data for national and local policy planning.”

(The Survey on Service Industries is described in detail in another paper of this Voorburg meeting titled “Development of Statistics on Service Industries in Japan” by Koji Uesugi.)

4. Methods of grasping turnover

As to methods of grasping turnover, in the case of the Survey on Service Industries, each surveyed establishment is classified into the industry which the main activity (the activity of the largest turnover) of the establishment belongs to (referred as “the main industry of the establishment”). In this survey, as a basic result, the turnover of each industry is published. In this case, the whole turnover of the establishment is added to the turnover of the main industry of the establishment.

Recently in line with business diversification, it became important to enhance the activity-based measurement of services, which was mentioned in the guideline of 1995, namely “New Strategies for Government Statistical Services for the Coming Decade”. In the activity-based survey, the activity other than the main activity of the establishment is added to the turnover of the industry that each activity of the establishment belongs to.

In the Survey on Service Industries, in addition to the above mentioned turnover by industry based on the main industry of the establishment, we also grasp the activity-based turnover including the activities other than the main activity of the establishment, through grasping the ratios of the turnover of activities other than the main activity of the establishment. The applied classification for the activities is “group” of JSIC (3digit) as to Service industries, and “Section” of JSIC (1 Digit) as to other industries.

On the other hand, in the Survey of Selected Service Industries, the turnover on the selected service activities is grasped in detail. In this survey, the detailed service turnover is broken down by category of business for administrative purposes (for example, in information service business, the turnover is broken down by information processing service, order-made software developing service, software product, assigned system management, database service, researches and others). However, the turnover actually can be seen as the equivalent of detailed turnover broken down by service products.

5. Utilization of detailed service turnover for the SNA and other purposes

In compiling the Input-Output Tables, which constitutes the SNA, we use the above mentioned turnover of service activities as indispensable information. Actually we use the results of the Survey on Service Industries and the Survey of Selected Service Industries for the Input-Output Tables through converting the classification of the surveys into the one used in the Input-Output Tables.

The data of turnover collected through the Survey of Selected Service Industries and the data gained from the Input-Output Tables are used for the weights of the Corporate Service Price Index, which is produced by the Bank of Japan.

In addition, the results of the Current Survey of Selected Service Industries are used to estimate quarterly GDP.

6. Future directions and conclusion

In the “New Directions in the Development of Government Statistical Services” decided in June 2003, one of the basic directions for development of service statistics is as follows.

“In order to help improve GDP statistics, the development of supply-side statistics for the service field (including public services field) shall be promoted.”

As a concrete measure for the direction, the “New Directions” decided to develop and strengthen the supply-side statistics focusing on the Surveys of Selected Service Industries, and the Current Survey of Selected Service Industries.

It is expected that the service statistics grasping detailed turnover will be developed based on this policy in future.

However, as to development of statistics, it is essential to consider the purpose of the statistics, that is, for what the results of the statistics are used. The grasp of detailed turnover in Japan has been developed on the selected service industries for the purpose of planning of administrative policies for the industries as mentioned above. For the development of concrete statistics to grasp detailed turnover by service products, it is indispensable to examine the concrete purposes for which the statistical surveys collect data.