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**Veterinary Activities in Japan**



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## 1 Definition of service being collected

The Japan Standard Industrial Classification (JSIC) (Rev.13, 2013) has an industry group (3-digit level) “741 Veterinary services” which defines establishments engaged in Veterinary activities.

Table 1 JSIC definition of groups of “Veterinary services”

| Groups                  | Details                     | Definition   |
|-------------------------|-----------------------------|--|
| 741 Veterinary services | 7411<br>Veterinary services | This refers to establishments primarily providing veterinary medical, surgical, and dental services. |

JSIC7411 corresponds to ISIC7500 Veterinary activities.

## 2 Unit of measurement to be collected

“741 Veterinary services” is covered by two statistical surveys, the Monthly Survey on Service Industries (MSSI, monthly survey and annual survey), the Economic Census (the Economic Census for Business Frame and the Economic Census for Business Activity) (periodic census, every five years).

- Turnover of “741 Veterinary services” is collected by these surveys. For MSSI, turnover information of “741 Veterinary services” is available on annual survey because the results of monthly survey of MSSI are released by 2-digit industry level.
- In addition to turnover, Economic Census for Business Activity collects cost structure.
- The statistical units are basically the establishments.
- Turnover of “741 Veterinary services” is surveyed only as a whole, so details like veterinary services for pets or for livestock are not grasped.

See also chapter 7 “Turnover data methods and criteria for choosing various output methods”.

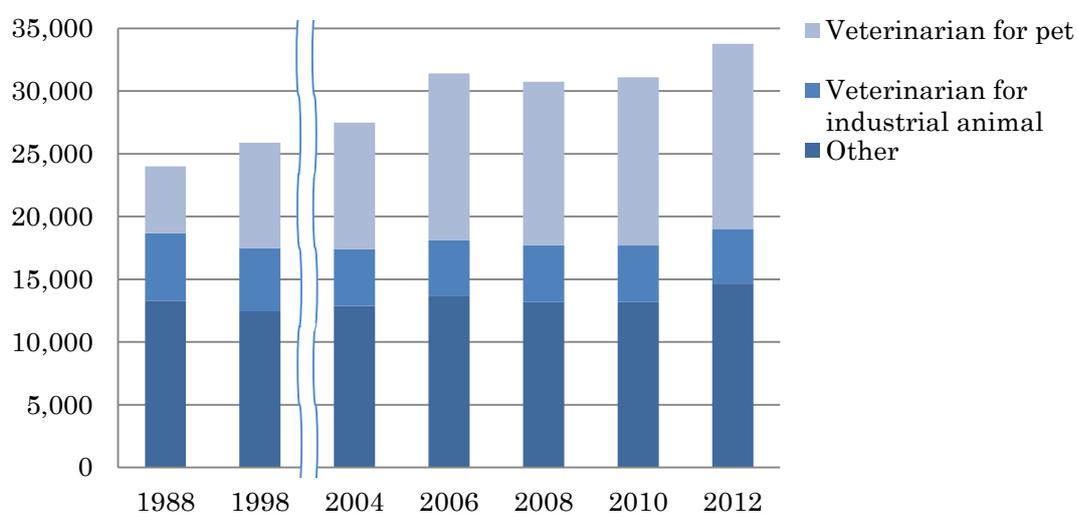
## 3 Market conditions and constraints

In Japan, establishments providing veterinary services must be notified to the administrative organs and managed by the veterinarian. The veterinarian must be licensed by the government and those who do not have the license are prohibited from medical treatment of rearing animals for the business.

The veterinarian license is under the jurisdiction of the Ministry of Agriculture, Forestry and Fisheries (MAFF). The MAFF releases the data on the employment conditions of the license acquirer every two years. According to this report, half of the license acquirers treat rearing animals for the business and the other half are engaged in duties such as research or the hygiene management in government offices or private enterprises.

Among the medical treating veterinarians, in the past, many of them specialized in the industrial animals. However, those who engage in the medical treatment of pets have increased recently.

Figure 1 Veterinarian divided by field



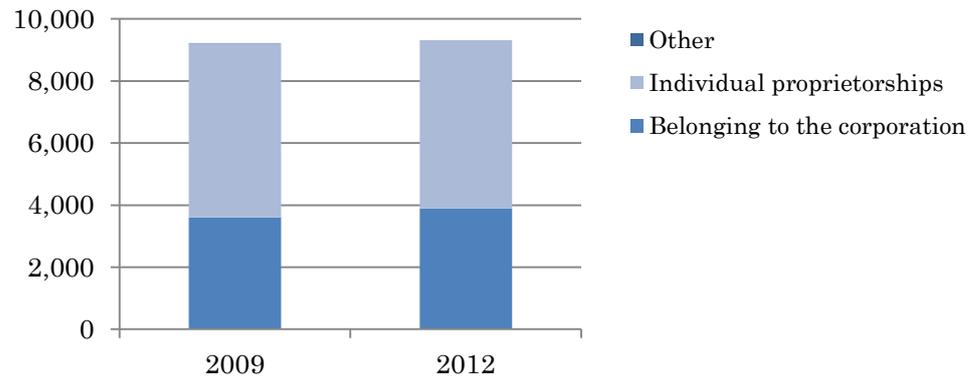
(Source: MAFF)

Input - Output Tables in 2011 show that the output of “741 Veterinary services” is 385 billion yen, gross value added is 262 billion yen, those are 0.041% of total domestic output and 0.055% of total gross value added.

### 3.1 Number of enterprises and establishments

According to the results of the Economic Census for Business Activity which was conducted as of the 1<sup>st</sup> of February, 2012, the number of enterprises engaged in “741 Veterinary services” is 8,675 and the number of establishments is 9,298. Most of the establishments, 8,395, are Single Unit. Compared with the 2009 Economic Census for Business Frame, the total number has remained flat. However, as a detail, individual proprietorships establishments have decreased slightly and those belonging to the corporation increased slightly.

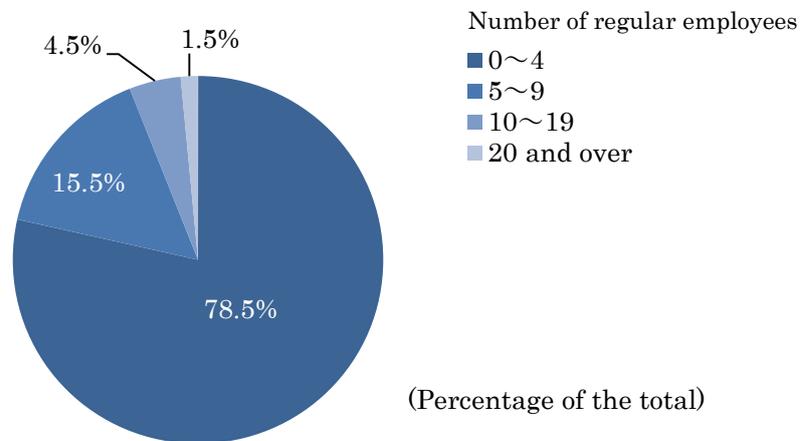
Figure 2 Number of establishments of “741 Veterinary services”



(Source: Economic Census for Business Frame by Statistics Bureau of Japan (SBJ) and Economic Census for Business Activity by SBJ, Ministry of Economy, Trade and Industry (METI))

In addition, small companies with four or less regular employees occupy 79% of the total.

Figure 3 Number of enterprises of “741 Veterinary services” by number of employees



(Source: Economic Census for Business Activity by SBJ, METI)

### 3.2 Turnover and number of persons working at the location of establishment

According to the results of the MSSSI (Annual survey) which was conducted as of the 30<sup>th</sup> of June, 2013, turnover of “741 Veterinary services” is 392.7 billion yen (approximately 4.0 billion USD) and the number of persons working at the location of establishment for Veterinary services is 4.7 thousand (annual average).

Table 2 Turnover and number of persons working at the location of establishment for “741 Veterinary services”

|      | Turnover (billion yen) | Number of persons working at the location of establishment |
|------|------------------------|--|
| 2013 | 392.7                  | 46,900   |

(Source: MSSSI by SBJ)

### 4 Standard classification structure and product details/levels

The Japan Standard Industrial Classification (JSIC) (Rev.13, 2013) is composed of four stages, namely Divisions (1-digit level), Major groups (2-digit level), Groups (3-digit level), and Details (industries) (4-digit level). The Thirteenth Revision has been available since October, 2013. JSIC “7411 Veterinary services” is the subclass of 2-digit level”74 TECHNICAL SERVICES (N.E.C.)” compared to ISIC Veterinary activities which is classified as 2-digit level.

Table 3 The structure of JSIC Rev.13 (Veterinary services)

| Divisions | Major groups | Groups | Details | Name of class  |
|-----------|--------------|--------|---------|--|
| L         |              |        |         | SCIENTIFIC RESEARCH, PROFESSIONAL AND TECHNICAL SERVICES |
|           | 74           |        |         | TECHNICAL SERVICES (N.E.C.)                              |
|           |              | 741    | 7411    | VETERINARY SERVICES                                      |

Table 4 The structure of ISIC Rev.4 (Veterinary activities)

| Section | Division | Group | Class | Name of class                                     |
|---------|----------|-------|-------|---|
| M       |          |       |       | Professional, scientific and technical activities |
|         | 75       | 750   | 7500  | Veterinary activities                             |

### 5 Evaluation of standard vs. definition and market conditions

To reflect the change of industrial structure, the JSIC is revised at certain intervals. The number of establishments of “7411 Veterinary services” occupies only 10% of that of “74 TECHNICAL SERVICES (N.E.C.)”, so there is no apparent problem with the JSIC at this time.

## **6 National accounts concepts and measurement issues related to GDP measurement**

In the National accounts of Japan, the Veterinary activities is included in the “Agriculture” class because of historical processes. The Economic Census for Business Activity (and the predecessor survey, the Survey of Service Industry) is used for estimation of Veterinary services on the benchmark GDP and Input- Output Tables.

The annual and quarterly national accounts are extrapolated from the benchmark National Accounts by various statistics. However, the MSSSI, that has begun recently, is not used.

## **7 Turnover data methods and criteria for choosing various output methods**

As mentioned in chapter 2 “Unit of measurement to be collected”, the turnover of “741 Veterinary services” is covered with two statistical surveys, the Monthly Survey on Service Industries (MSSI, monthly survey and annual survey), the Economic Census for Business Frame and the Economic Census for Business Activity (periodic census, every five years).

### **7.1 Monthly Survey on Service Industries (monthly survey and annual survey<sup>1</sup>)**

The survey objective of the MSSI is to identify monthly trends in sales (incomes) and persons working at the location for service industries<sup>2</sup>. Other than turnover information, the survey collects the number of persons working at the location of establishment<sup>3</sup>, the type of legal organization, amount of capital and so on.

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<sup>1</sup> Results of JSIC “7411 Veterinary services” is only released on annual survey.

<sup>2</sup> Industries covered by the survey: “Information and communications,” “Transport and postal activities,” “Real estate and goods rental and leasing,” “Scientific research,” “Professional and technical services,” “Accommodations, eating and drinking services,” “Living-related and personal services and amusement services,” “Education, learning support,” “Medical, health care and welfare,” and “Services, n.e.c.”

<sup>3</sup> The term “persons working at the location of establishment” means all persons who are engaged in the business of the establishment or enterprise, etc. on the business day nearest to the end of the month (for annual survey, the end of June) (excluding dispatched or temporarily transferred employees to another enterprise, but including those who work as dispatched or temporarily transferred employees from another enterprise).

The MSSSI is a sample survey. The survey frame is the results of the “2009 Economic Census for Business Frame (the census was conducted for the first time in 2009).”

Questionnaires are distributed and collected by mail in principal. However, for some situations enumerators collect questionnaires by visiting survey entities whose questionnaires have not been sent back and if the number of persons working at the location of establishment is ten or less. The survey entity can submit the filled out questionnaires via the internet as well.

This survey started in July, 2008 and was revised in January, 2013.

According to JSIC “7411 Veterinary services”, the survey on establishments and enterprises is conducted from January, 2013. The survey on enterprises is conducted on enterprises with capital, investment, or funds of 100 million yen or more which highly influences total turnover. The survey on enterprises collects turnover by business activities. The SBJ has collected up to four business activities of service industries which are highest in turnover.

Within the MSSSI, the annual survey which collects more survey items from more survey entities has been conducted once a year since 2013.

For the results of the monthly survey, the preliminary results are released two months after the survey month and the final results are released five months after the survey month.

For the results of the annual survey, the preliminary results are released six months after the survey month and the final results are released at the end of the year after the survey is conducted. As an exception, the results on 2014 will be released by March, 2016.

## **7.2 Economic Census (periodic census, every five years)**

The Economic Census in Japan is the census which covers all establishments and enterprises of all industrial sectors (except those engaged in Agriculture, Forestry and Fisheries) at the same point in time. There are two censuses in Japan. One is the Economic Census for Business Frame and the other is the Economic Census for Business Activity. The Economic Census for Business Frame attaches a high value to identifying establishments and enterprises and figuring out the structure of enterprises. The Economic Census for Business Activity attaches a high value to figuring out economic activities. Both of them are separately conducted every five years.

However, the first Economic Census for Business Activity was conducted in 2012 and the next one is to be conducted four years later. After that, it is planned to be conducted every five years. Questionnaires are distributed and collected for single-unit enterprises by enumerators and for multi-unit enterprises by mail by the relevant authorities (entrusted private enterprise). If the multi-unit enterprise desires, they can submit the filled out questionnaires via the internet.

### **7.2.1 Economic Census for Business Frame (periodic census, every five years)**

The Economic Census for Business Frame was first conducted in 2009, and turnover was grasped in July, 2014 for the first time. Other than turnover information, the census collects type of legal organization, number of employees, major industry of establishment and so on. Compared to the Economic Census for Business Activity, cost of the entire enterprise is not collected. Preliminary tabulations were released in June, 2015. Turnover was released only by 1-digit industry level. Final results will start to be released in November, 2015, by 3-digit level including JSIC “7411 Veterinary services”.

### **7.2.2 Economic Census for Business Activity (periodic census, every five years)**

The Economic Census for Business Activity was conducted in February, 2012 for the first time. In addition to the investigation item of Economic Census for Business Frame, cost of the entire enterprise and so on is collected.

Along with turnover, expenses, amount of capital investment, amount of value added and so forth were released.

## **8 Evaluation of comparability of turnover data with price index practices**

In Japan there are two price indices monitoring the service industry: the Consumer Price Index (CPI) by the SBJ and the Services Producer Price Index (SPPI) by the Bank of Japan. Only CPI is available for veterinary services, based on the price of Pasteur treatment and so on to make the index.

The weight for the CPI is calculated by household consumption expenditure obtained from the Family Income and Expenditure Survey, so turnover data is not used for weighting.

## **9 Summary**

The JSIC is used as a classification for Veterinary services.

Turnover for Veterinary services is tabulated at 2-digit industry level as “Scientific research, professional and technical services” every month by the MSSSI and 3-digit as “Veterinary services” by Annual survey within it.

In 2012 the Economic Census for Business Activity, turnover of all enterprises and establishments of Veterinary services were collected for the first time. Along with turnover, expenses, amount of capital investment, amount of value added and so forth were released, and that will enable a more detailed grasp of the current status of economic activity of enterprises conducting Veterinary services. In addition, the Economic Census for Business Frame collected turnover in July, 2014 for the first time. Final results of it will start to be released in November, 2015, by 3-digit level including JSIC “7411 Veterinary services”.

The SBJ will continue to work on further analyses and solve challenges by applying the characters of each statistical survey related to turnover of Veterinary services.