

INTRODUCTION

The **Voorburg Group** was established in 1986, after an initiative by Statistics Canada and the United Nations Statistical Office (UNSO). This initiative came in response to the observation that service statistics were less developed than statistics on other economic fields although services contributed already over half of the Gross Domestic Product in many countries.

The first session of the Group was hosted by the Statistical Bureau of the Netherlands (CBS), in Voorburg, which gave the Group its name.

In a background note, prepared for this first session, Laszlo Drechsler of UNSO cited four main areas where service statistics are underdeveloped and thus needed to be improved:

- " - many general purpose statistics cover the service area. They do so, however, in much less detailed industry groups than, for instance, in the manufacturing industries;
- for most service outputs hardly any physical indicators were developed or defined;
- quantity and price components of changes in value are not sufficiently well separated;
- many services escape measurement because they are difficult to observe by traditional statistical methods. A very important area that escapes measurement is international trade in services, the main reason being that customs are unable to observe such transactions and that in the BOP it is difficult to separate transfer payments from payments for services rendered. "

The volunteering participants in the first session were also requested to contribute to the development of the service sections of the ISIC and the CPC (the two classifications were discussed at that time in the UNSO and in EUROSTAT).

For various reasons, only experts from developed countries and from UNSO and EUROSTAT were able to participate in the first session, along with invited guests from the Statistical Offices of several international organizations, such as GATT, IMF, OECD, UNCTAD and the World Bank. However, experts from developing countries did participate in subsequent sessions.

Although they represent their countries, participants act à titre personnel; the conclusions of the sessions should not be seen as international recommendations to individual countries.

At its fifth session, in Paris, the Group laid down its own internal guidelines. It created its own Secretariat under the responsibility of the host country, and a Bureau to assist the Secretariat between sessions.

Because of the interest shown in its work, the Group also decided to disseminate the proceedings of its sessions. The Bureau has set certain rules for publication (papers written in English, not published elsewhere, which make a substantial contribution to the work of the Group or to the improvement in the field of service statistics).

The CBS of the Netherlands has agreed to disseminate the proceedings of the first four sessions.

This volume contains a brief summary of the issues discussed in the First Session, a complete list of the documents, a selection of the papers, and the report of the session, including a list of its participants. By way of exception, this volume includes papers in French and German. Also, a copy of the Internal Guidelines is provided.

SUMMARY OF THE FIRST SESSION

The First Session of the Group took place in Voorburg, the Netherlands, in January 1987. Eighteen persons participated, representing ten countries and four international organizations. In total 25 papers were presented.

The first and foremost purpose of the meetings was to identify the service areas which merit most immediate attention and to make arrangements for collaboration and work sharing in the field of classifications. A division of work was agreed upon, in which one country takes the lead in a particular subject and other countries support it by commenting on initial drafts for the CPC. The main areas of focus were business services, finance and insurance, and tourism.

Preamble

The Voorburg Group was created in 1986. It met for the first time in Voorburg (Netherlands).

It consisted of a small number of countries who decided to assist the UN Statistical Office in developing the parts of ISIC Rev. 3 and CPC dealing with services.

Its main purpose remains to be an informal forum for the exchange of views on service statistics, as a result of which countries, international organizations and EUROSTAT may be assisted in, or directed towards the solution of particular problems or the development of international guidelines or handbooks in the field of service statistics.

The members of the Group, even though being representatives of national statistical offices, contribute to the work of the Group in their personal capacity without necessarily committing their employers.

Membership

The members of the Group work in the field of national statistics and make a commitment to contribute in a substantial way to the research or other activities of the Group. This means that when the meeting decides to take up certain activities to be discussed in its next meeting, the members are expected to either act as the "lead country" for such a subject or to contribute substantially as a supporting country.

International organizations and EUROSTAT are invited as observers to the sessions. Observers make substantive contributions to the work of the Group in the same way as the members. The Bureau can also invite other countries or experts in their own right if it seems appropriate.

Sessions

1. The sessions of the Group are hosted by one of the member countries.
2. A session does not last for more than a week.
3. The sessions consist of morning and afternoon meetings.
4. The meetings are conducted in English.
5. Each session contains one meeting on national experiences on the condition that these experiences have resulted in interesting conclusions, worth communicating to the other participants. Preferably though, such experience should be accompanied by an evaluation or by a problem statement which the author wishes the Group to address.
6. Each session ends with a meeting in which the agenda for the next session is set and/or the inter-session activities are agreed upon.
7. Subject matter items are introduced by the lead country who summarizes in the introduction other papers on the subject.

Officers

The sessions are presided by a member of the host agency with relevant experience and seniority, and proven ability to chair an international meeting making him or her an acceptable choice.

One or more vice-chairpersons are elected from the participants. The vice-chairperson presides when the chairperson is unable to do so or when specific agenda items make it appropriate.

The meeting also elects a rapporteur(s) who is charged with the responsibility of submitting the Group report of the session.

Bureau

The Bureau of the Group deals with non-administrative matters in the inter-session periods.

The Bureau consists of the chairpersons of the last and future sessions, complemented by one or two members elected by the members for a period of one year. If the Bureau deems it necessary, it will meet between meetings in order to ensure that the agenda and other substantive matters are well in hand.

Secretariat

The secretariat of the Group is held by the host country of the up-coming session. Its function ends when the report and the collected papers of that session are circulated, not more than three months after the session.

The secretariat provides the Group with technical secretarial assistance during the session. It drafts, publishes and circulates to the members the report of the session. It also publishes a selection of the papers presented at the meeting, the selection being decided upon by the meeting. All papers are available on request.

The secretariat assists the Bureau in administrative matters.

If possible, the secretariat also assists participants in finding hotel accommodation.

If appropriate, the Bureau makes arrangements to assist the host country with secretariat help or other forms of support.

Contributions

Members are expected to announce their contributions to the meeting or to the Bureau.

Contributions are mailed to other participants by the authors themselves, well in advance before the meeting.

Note on the background and objectives of an informal meeting on
service statistics

Over the past few years, there has been a growing recognition by countries and at the international level on the need for better statistics for services and service industries. Judging from the information obtained by the UN Statistical Office, partly in response to a 1985 inquiry, there are four main areas where service statistics are underdeveloped and thus need improvement:

- many general purpose statistics (e.g. employment, output, value added, etc.) cover the service areas. They do so, however, in much less detailed industry groups than for instance in the manufacturing industries, although services in many countries contribute up to 60 per cent of the GNP;
- for most services hardly any physical indicators were developed or defined;
- quantity and price components of changes in value are not sufficiently well separated;
- many services escape measurement because they are difficult to observe by traditional statistical methods. A very important area which escapes measurement is the international trade in services, the main reason being that customs are unable to observe such transactions and that it is difficult to separate transfer payments from payments for services rendered.

Part of the cause for insufficient service statistics is the lack of internationally agreed guidelines and classifications, particularly in major divisions 8 and 9 of the current ISIC. The Statistical Office of the United Nations, together with a number of other international organizations, has been working on the third revision of the International Standard Industrial Classification of all economic activities (ISIC) and the development of a new Central Product Classification (CPC), both of which contain a section dealing with services. Drafts of the classifications were sent to your Office in August this year. The first goal of the meeting should be to agree upon the service area in which each participant could take the lead in improving the current proposals.

In addition to classification problems, guidelines on other service statistics matters are also required. Suggestions for definitions and guidelines on such subjects as units of measurements, physical indicators, capacity measurement etc. are strongly needed. As to the quantity and price indices and constant price measurement for services, it should be taken into account that this subject is included in the programme of the Conference of European Statisticians (a meeting planned for the first half of 1988), and that the work on the revision of the SNA also deals with these problems. The meeting in the Netherlands may wish to consider whether any further actions would be needed in this field.

The meeting could also establish indicative timetables, covering work possibly extending into the next decade.

In view of the scope of the proposed agenda it is recommended that participants at the meeting in the Netherlands be persons with a broad knowledge of the subject matter in service industries. Work on classifications itself should, of course, be done in close co-operation with classification experts.

The Statistical Office of the UN will be happy to make available to each participating organization all documents, drafts, reports, comments etc. related to the relevant service area and will also indicate which are the specific problems in that area. It will also try to give as much guidance as possible in order to obtain results that are mutually compatible and can thus be incorporated in the ongoing work of the Statistical Office and the of the UN Statistical Commission to ensure inter alia that the related needs of developing countries and other countries not present in the meeting are taken into account. In this connection an appropriate UN expert group meeting is planned for 1987.

An agenda for the meeting in the Netherlands might include the following items:

1. Exchange of information about work in progress in participating organizations in the field of service statistics and classifications
2. Identification of areas which merit most immediate attention (establishing priorities)
3. Possible arrangements for collaboration or work sharing (timetables, sponsorship of meetings); the role of international organizations
4. Establishing a procedure for integrating the results