VOORBURG CONFERENCE 2000: PROGRESS REPORT FROM UK

Service Sector Prices

In the last year the UK has made good progress with its programme of developing corporate services prices indices. The main concentration in this 12 months has been on quality assuring industries where data have been collected for some time.

In July 2000 the UK began publication of an expanded range of 20 industries, as well as an experimental aggregate index. The coverage at the moment is about 45% of corporate services.

Our future work includes:
- An increase in the sample size
- Rebasing to 2000
- Aiming to add up to 20 more industries, hopefully within 12-18 months.

Eurostat has been interested in the UK's project, since the research and findings will be of use to other Member States. So the UK and Eurostat have been working closely together on this.

More details of the work of the CSPI are included in an article published in "Economic Trends" in July 2000, copies of which were circulated at Voorburg.

Monthly Index of Services

At Voorburg 1999 in Christchurch, the UK mentioned that it was proposing to develop a monthly index of services output. Since Christchurch the decision has been made to proceed with the project. Progress has been good, concentrating initially on the conversion of services GDP(O) to a monthly basis.

An experimental monthly index of distribution (motor trades, wholesale, retail) has been produced each month since December 1999.

An experimental monthly index of services is scheduled for commencement from December 2000.

Thereafter there will be a continuing development programme to:

- Improve source data
- Improve deflators (CSPI)
- Hopefully to make more use of VAT data.

Demand for Services

The UK participated in a demand side pilot for Eurostat in respect of 1998. This covered certain SIC sectors only, but asked information for a range of purchases (both goods and services). There was, however, a low response to this voluntary survey.

Separate from this, the UK is holding a purchases inquiry over 3 years, covering all industries, but with less detail than the Eurostat funded survey.

SERVCOM

The UK has recently begun a two year feasibility study into setting up a statistical inquiry which will collect data on service industries' sales by type of service. This will be analagous to the PRODCOM (PRODucts of the European COMmunity) inquiry covering the manufacturing sector. As part of the study the UK plans to carry out a pilot study of the computer services industry (NACE Division 72).

The introduction of a SERVCOM inquiry would have numerous benefits. These include:

- Improvement in both the quality and availability of service sector statistics (in a key growth area for European economies).

- The definition of a product structure for service sector statistics feeding into other outputs.

- Improved balancing of the components of GDP through the input/output framework.

- Improved deflation feeding into indicators such as constant price input/output and GDP.

The UK plans to conduct the pilot survey early in 2001, in respect of 2000.

The UK is working in partnership with the UK Computing Software and Services Association (CSSA) to develop a product classification for this sector. Preliminary work has already suggested that the existing NACE/CPA classifications may not be suitable and this will lead to proposals for changes for the next revision of NACE in 2007.

The UK will be liaising closely with Eurostat on the SERVCOM work.

International Trade in Services

The UK has been undertaking work to try to estimate regional exports of services.

The UK is also working hard in cooperation with EU Member States to reduce or resolve asymmetries in trade in services statistics eg. comparing UK exports with other countries' imports.

The UK contributed to the review of the ITIS manual by the UN – this manual is due for publication next Spring/Summer.

Information Society Statistics

The UK plans a pilot survey of some 400 firms, investigating the electronic transactions by UK businesses. This will measure both the type and value of such transactions.

The UK is also considering a survey of ISPs, measuring traffic etc.

Three questions are to be added to the Annual Business Inquiry, to identify businesses buying/selling goods and services electronically.

The work on the SERVCOM pilot for computer services also is very relevant to this topic.