

DEVELOPMENT PROJECT ON BUSINESS SERVICES

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1. BACKGROUND

In mid-1999 Eurostat with the support of DG Enterprise initiated a project on methodological development and harmonised data collection in order to improve the statistical coverage of the business services sector. The Member States business statistics directors' group formally approved this project at its meeting on 27/10/99. Since then, unit D2, which is responsible of structural business statistics (SBS) in Eurostat, has given priority to the development of business services statistics.

Financial grants have been used to facilitate development in this priority area and further motivate Member States to participate in the development project. In the first phase of the project 10 Member States participated: Denmark, Spain, France, Ireland, Italy, Luxembourg, Portugal, Finland, Sweden and the United Kingdom. Austria has joined the second phase. The business services covered within this project are computer services (NACE Rev.1 division 72), auditing and consultancy services (classes 74.12 and 74.14), market research (class 74.13), architectural and engineering services (group 74.2) and advertising services (group 74.4).

II. SCOPE

The first phase of the project, which was completed during spring 2002 in most Member States, involved methodological development of all above mentioned business services. During this phase, Eurostat in close collaboration with National Statistical Institutes defined priorities, developed indicators and drafted questionnaires with a view to obtaining harmonised statistics on turnover breakdowns.

Questionnaires on each business services have two main elements:

- a) Turnover by product and
- b) Turnover by client

In addition, there are questions on some basic economic and employment variables. The emphasis of the questionnaires is on the collection of information on enterprises (business services/economic activities), rather than on products.

The product classification of business services follows the common basis for the classification of products by activity within the EU: CPA. However, some adaptations inspired by the Central Product Classification (CPC) have been made to the product classification used in the computer services questionnaire.

The business services questionnaires cover mainly products specific to each service and some related products. As can be seen in the following example, 8 specific (P1-P3) and 7 related (P4-P8) products have been defined (with adaptations at category or 5-digit level of the CPA) for the computer services:

Computer services' product list

P1: Hardware consultancy services
P2: Software supply
P2a: packaged software
P2b: customised software
P2c: computer consultancy services
P3: Other computer services
P3a: computer facilities management and data processing
P3b: database services
P3c: systems maintenance services
P3d: computer hardware servicing, repair and maintenance of computing machinery and equipment
P4: Network and telecommunication services
P5: IT-related training
P6: Leasing or rental services of computing machinery without operator
P7: Resale
P7a: software (not own developed)
P7b: hardware and equipment
P7c: other
P8: Others

The collection of information on enterprise turnover by product permits analyses on each product's relative importance in the turnover, product specialisation and consistency of enterprise statistics. On the other hand, information on enterprise turnover by client enables analyses on type and location of client and client specialisation. The economic variables make it possible to extend the analysis to productivity issues.

As a final step of the first phase the above mentioned Member States surveyed computer services for reference year 2000. France and Sweden carried out their surveys earlier; therefore their surveys' reference year was 1999.

In the second phase, which is currently under way, computer services will be surveyed once again. Additional surveys will be conducted on auditing and consultancy services, market research, architectural and engineering services and advertising services. The reference year for all these surveys will be 2001.

III. RESULTS

At the beginning of June 2002 preliminary data on computer services became available in Eurostat's New Cronos database for 8 Member States (Ireland and Italy will deliver their data late summer 2002). In addition, these data have been analysed and presented in a Statistics In Focus (SIF). The first analysis gives an overview of the main products and clients within this sector.

Below you can find some findings from the SIF on computer services (THEME 4 – 25/2002):

- Software consultancy and supply services (economic activity 72.2) are overwhelmingly the most important economic activity in computer services.

- Computer services products – products P1-P3 – generate more than 70% of total computer services turnover in all reporting Member States except in Portugal, where the share is relatively low at 55%.
- There is a strong product/economic activity consistency for software consultancy and supply services for all reporting countries.
- The turnover share of product-specialised enterprises varies between 35% in France and 49% in the United Kingdom. In Luxembourg this share is only 8%.
- There is a link between employment size class and product specialisation in software consultancy and supply services. The smaller the enterprise, the greater the product specialisation.

Later in 2002 SBS data on employment and value added will become available, permitting a more in-depth analysis of e.g. product specialisation and its impact on labour productivity. This analysis will be reported in a more comprehensive publication along with statistics on business demography and foreign control in computer services.

IV. FUTURE STEPS

As stated above, the purpose of the development project is to collect information on enterprises. It is intended to obtain a better understanding of business services/economic activities through knowledge of the products and clients. Currently, there are no plans to extend the project to cover any other services than business services.

In 2003 the project will be evaluated and it will be decided whether and in what way this special data collection for business services should be continued. If the result of the evaluation is positive, it will be considered how to continue this data collection. This could be done in the form of a voluntary collection through gentleman's agreements with Member States, or by introducing breakdowns of turnover by product and by client into the Council Regulation on Structural Business Statistics (58/97).

Annexes: SIF on computer services and business services questionnaires