

17th Voorburg Group Meeting on Services Statistics in Nantes 2002 Progress Report for Germany

Producer Price Indices for Services

Background

The German system of price statistics is well developed in the traditional areas of business cycle analyses: price indices are available for agriculture, manufacturing, construction, wholesale and retail trade, imports and exports as well as private consumption.

Deficiencies affect the price measurement of services delivered to enterprises. Producer price indices for services are required urgently by several users for different purposes:

- National accountants need appropriate deflators for the individual branches of the service sector to measure real growth and productivity in line with agreed standards.
- The ECB asks for price indicators for market related and cyclically sensitive service industries for inflation measurement and business cycle analyses.
- Businesses ask for services price indices for indexing contracts with suppliers and buyers.

These purposes are not congruent as far as content and conception are concerned. Priorities have to be set to save resources.

Progress

Despite unsolved questions concerning main usage, priorities, quality standards, measurement problems, the Division Prices has outlined a development plan for the conception and implementation of producer price indices for services. The proposal intends to introduce within the next 5 years step by step new PPIs for 17 branches covering transport and communication (NACE 60-64) and other business services (NACE 74). The plan starts with

- Telecommunication services (64.2)
- Post and courier services (62.1)
- Legal services (74.11)
- Accounting, book keeping and auditing services; tax consultancy services (74.12).

The funding of additional staff (2 academics and 2 senior statisticians at the beginning of the project) is not yet clarified. One precondition is co-financing by Eurostat grants. Furthermore, international co-operation (e.g. planned OECD/Eurostat Task Force on services producer prices) is considered very important to achieve useful results in a reasonable time.

Business Services

Background

Formerly there was no statistical survey to watch and to follow economic developments in the services sector in Germany. Thus it was even necessary to make use of the entire transitional period for fulfilling the requirements of the European structural regulation.

Progress

In the meantime a law has been adopted in Germany, which provides the legal basis for carrying out surveys. The first survey has provided data for 2000, the first results have now become available. The survey covered those industries for which data have to be supplied in line with annex I of the European structural regulation. The same is true of the items recorded by the survey.

A survey, which is presently under preparation for the years from 2003 onward, will make it possible to meet the requirements of the European business cycle regulation.