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**Proposed medium-term programme for 2004-2008
for statistics on trade and services in France**

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Session: Strategy

This paper outlines the main points of the proposed programme of work for French public statistics organisations for the period 2004-2008. These proposals were initially discussed in May 2003 at a special session of the National Council for Statistical Information, devoted to trade and services. Another special session covers transport and tourism: in order to preserve the general nature of this document, proposals presented to this second session are not included here.

For each subject area, the paper presents an overview of the documents prepared for the meeting in May by organisations producing public statistics: the statistical institute (INSEE), the Directorate for small enterprises, the Directorate for media development, and the Central bank. It is the intention that these proposals should be amended and further details included for a further meeting which is to be held in the autumn, on the basis on the oral and written comments made by the partners.

1. Inclusion in European statistics

The development of statistics for the service sector is a European public statistics priority which has to be supported: it is generally a question of upgrading data available on businesses in these sectors to bring them up to the level of data available in manufacturing industries. The stakes and the degree of difficulty will vary depending on the operations concerned.

As far as structural statistics are concerned, French annual surveys ensure compliance with current regulations and allow for the short-term changes proposed. Nevertheless, some sectors providing services to individuals, not currently included in the survey, probably deserve to be included, together with financial auxiliary services. INSEE should also ensure that it is able to conduct a survey, at least on specific subjects, of banks and insurance companies.

As far as short term statistics are concerned, VAT data can be used to calculate monthly indices for turnover for all market sectors, in great detail. On the other hand, it is difficult to control the time taken to obtain results: the target of regular 60-day publication can be achieved within a year; a more general use of electronic submission of data (once INSEE's technical problems in receiving these returns have been resolved) means that in the medium term a reduction in these periods of about fifteen days can be expected. Tighter deadlines would require the setting up of parallel surveys, which would obviously be costly not only for businesses but also for the statistical system. An early estimate of a 30-day index for turnover for the retail trade has been possible thanks to the use of external information on retail sales: similar information is not available for other types of operations.

Opinion polls on the economic situation conducted amongst businesses are also to change slightly, in terms of their scope, frequency and the questions asked, in line with the requirements indicated by the European Commission.

It is in relation to the price of business services that significant progress will continue to be expected in coming years. In this respect, French concerns are included in the Eurostat project for which priorities are currently being defined, in order to harmonise work by the various member States. The indices listed as top priority should be available in 2005, further cover extending beyond this date.

Analysis of the demand for services, in addition to the monitoring of the supply of services, is another line of work recommended by Eurostat: a new pilot study is being launched in 2003, and could lead to more permanent operations in the future.

2. The overhaul of the business statistics system

The tertiary sector will be targeted in the same way as other sectors by the overhaul of the business statistics system planned by INSEE in the coming years. This revision process aims in particular to rationalise the procedure covering annual surveys and the use of fiscal data, in order to produce sets of statistical data that, if not quite unique, will at least be more clearly linked. This overhaul will also give an opportunity to try to disseminate information significantly earlier than now, by providing provisional results.

In this context, consideration of the sectorial questioning in annual surveys will be essential: this will benefit in particular from the thoughts of specialists in the audio-visual, advertising and press sectors.

Furthermore, it will probably be advisable to define a common method for studying small businesses: in the present system, methods are not the same for the manufacturing sector and for the other sectors.

Hitherto based essentially on the observation of legal units, the business statistics system also needs to evolve in order to take better account of enterprise groups. This will lead to two results. Firstly, whenever possible and where the economic stakes justify, an attempt will be made to re-define consolidated units, in order to identify the economic players consistently. In the tertiary sector, this will imply the transparency of certain legal units that operate exclusively in auxiliary functions within a group; in fact, this will correspond to limiting observation of a sector to units that are active on the market, and omitting

those who are providing services only within their groups. Secondly, concentration studies and financial analyses will generally need to be undertaken on the group, rather than business, level.

3. International exchange of services

A working party was set up in January 2003 to study the reason for the differences between the current transactions account of the balance of payments and the rest of the world account of the national accounts. These differences are due partly to problems of collection and sources and partly to differences in data processing and concepts. The main differences come from the exchanges of services, and primarily from three items: transport, tourism and insurance.

Two surveys have been set up to improve estimates for the heading "Travel" of the balance of payments, currently based only on exchange operations made in scriptural currency. Consistency in transport exchanges is currently being studied, together with the methodological evaluation of insurance operations.

4. Integration of work on the tertiary sector in transverse projects

For subjects that cross all activity sectors, statisticians specialised in trade and services should be present in order to ensure the relevance of the approach, taking account of the sectorial specificity of markets and firms.

It is thus proposed to develop transverse study areas for small and medium firms, and for very small firms (less than 10 employees): skills, professional integration, adaptation of businesses to measures to reduce working time, etc.

An initial survey of knowledge management within businesses is scheduled to be launched in 2004, covering the manufacturing sector and the service sector. The European "Innovation" survey will be repeated in 2005: experience from the previous survey will have been used to refine the definition of innovation in the Oslo manual, and we expect that the new definition should be determined less exclusively by considerations relating to the manufacturing process. A pilot study is being carried out in order to extend the survey on research and development to service sectors not yet covered.

The survey entitled "Organisational change and computerisation", which combines a survey of a sample of enterprises and a survey on employees of these enterprises, will be repeated at the end of 2006. The tertiary sector should be covered more widely than by the previous survey, where only two sectors were tested. This survey should look more deeply in particular into the consequences of using new technologies in the organisation of work and in working practices within enterprises.

At the same time, a draft European regulation on statistics relating to the information society will very probably lead to an annual enterprise survey on this matter, probably based initially on the use of digital technology. The questionnaire may then evolve to cover other aspects. Studies of the skills and qualifications of the workforce, in particular in relation to these technologies, could complete the overview.

5. Intangible assets

An analysis of the "information society" does not involve merely monitoring technological developments, but also raises the question of how to measure intangible assets. This poses specific problems, associated with the difficulty of identifying such assets independently of their support structure or their effects. These assets are, however, very often the key to explaining the performance and strategies of enterprises. Furthermore, some are actually marketed commodities, as others may be in future. Under these circumstances, many questions arise, ranging from identifying what it is relevant to take into account for economic observation purposes, to the difficulties of such observation. It is proposed to open up this field in the coming years, in as much as collaboration with foreign experiments is possible.

This subject is of special interest to service statisticians in two respects: because intangible assets, if produced, fall within the scope of services, and also because the service sector itself is thought to be the main users of these assets.

6. Consolidation of recent experiments

Since the exercise relating to the year 2000, annual business surveys have included a question on purchases and sales made on line by trade and service enterprises, which should make it possible to monitor the development of electronic transactions, and to identify segments of the market in which they are developing most quickly.

A system for monitoring brand networks has been set up for the trade sector: this should now make it possible to obtain economic results regularly, distinguishing between independent trade and organised trade.

7. Demand for localised information

There is a recurring demand for localised information, in particular in the field of retail trade and services to households, although it is not easy to respond to this systematically through annual business surveys.

Regional branches of INSEE make regular use of information extracted from the business register and from annual returns submitted by employers to the social security authorities. It is proposed to group all localisable information on enterprises into one database, which should be operational in 2004/2005. By facilitating access to these data, this base will widen the scope of work possible, in particular localisation studies of craft industries and very small businesses. On a national level, it is proposed to repeat a survey on the retail outlets in the course of 2005.

8. Work on membership organisations

The aim of including in the SIRENE register of economic units all membership organisations which employ wage-earners or pay tax has practically been achieved. For its part, the Ministry of the Interior is working on preparing a file of all these organisations.

Furthermore, an operation aiming at estimating aggregates for the non-profit sector is to be launched in the course of 2003. The main aim of this project is to make national accounts more exhaustive and to improve estimates given in the same, in order to complete information from fiscal sources and data from public accounts.

To this end, it was considered useful to try to construct a satellite account set up in line with the recommendations of the UNO international manual, for a baseline year (probably 2001). These results will be updated on a current year basis for national accounts purposes. They may also be used as a framework for other more specific work relating to membership organisations.

This work will be directed by national accountants, who will collaborate with specialist statisticians (on services, employment, activities where membership organisations are highly involved), academics and external partners.

9. Classification revision

The classification of activities and products is to be revised in 2007; the ISIC (and therefore the NACE) superstructure will be finalised in the course of 2003. Over the next two years, it will be necessary to

monitor international discussions defining elementary levels in greater detail, and then the French adaptations. Proposals will need to be argued on the basis of practical experience of the different classification levels, whether for data collection purposes (annual structural surveys, price surveys), the preparation of national accounts or needs expressed by end users of the results.

Once the new classifications have been defined, it will be necessary to adapt all the tools used for statistical production purposes.

10. Improvement of methods of collecting and providing information

With a view to modernising tools and lightening the burden on firms to provide information, internet reply sites are being developed for public statistic surveys, starting with those which are smaller and conducted more frequently, such as short term surveys and surveys on service prices.

Efforts relating to dissemination will also be maintained, with the aim of achieving a further improvement in consistency, legibility and the time elapsing before information is available, for both the results themselves, as well as analyses and methodological documents.