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PROGRESS REPORT OF SWEDEN

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Producer Price Index (PPI for Services) (Vera Norrman)

Introduction

The Price section of Statistics Sweden compiles price indices for services. It also develops new service price indices. The Department of Economic Statistics at Statistics Sweden has been conducting a development project involving users, the National Accounts section, the Price section and the Services section. The target is to create producer price indices for services designed for use in the Swedish National Accounts system for calculating the production value of services at fixed prices at the product group level in concordance with the European Union's recommendations. (Private services represent about 50 percent of GDP in Sweden.)

Current production of Service Price Index (TPI)

There are 23 indices (22 quarterly, 1 annually), 17 of them are the result of the development project since 2000:

55.1	Hotel services (3)
60.24	Freight transportation services by road
62.10.1	Scheduled passenger transportation services by air (2)
63.4	Other transport agency services
64.11	National post services
64.2	Telecommunications services (4)
70.20.12	Renting or leasing services involving own non-residential property (annually)
71.1	Renting services of automobiles
72	Computer and related services (4)
74.11	Legal services
74.12	Accounting, book-keeping and auditing services (2)
74.2	Architectural, engineering and related technical consultancy services (2)

Main Achievements of year 2004

The development:

The possibilities to provide price indices for export in all freight transportation services were examined and price collection is ongoing.

The development of the production system for PPI for services continued.

First year production of PPI for Services on:

61	Water freight transportation services
62.10.2	Scheduled freight transportation services by air
64.12	Courier services other than national post services
65.12	Other monetary intermediation services
74.4	Advertising services

Review of PPI for:

71.1	Renting services of automobiles
62.10.1	Scheduled air transportation of passengers

Industry description of:

74.5	Labour recruitment and provision of personnel services
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Sweden is represented by an expert in the Eurostat/OECD Task Force on Service Prices and is participating in the work on expanded Eurostat's STS manual by a section on "Best practices" within PPI for services.

Issues and challenges

One of the main issues/challenges is a lack of funding supporting production of rapidly growing number of PPI for services which were developed since year 2000. Promotion/Information activities addressed to governmental officers and other authorities remain without any responds.

Plans for year 2005 (NACE)

To develop PPI for Services for:

- 63.11 Cargo handling
- 63.12 Storage and warehousing
- 70.3 Real estate on a fee or contract basis
- 74.5 Labour recruitment and provision of personnel services
- 74.6 Investigation and security services
- 74.7 Industrial cleaning

Review of PPI for:

- 72 Computer and related services

The development of a new production system and website based collection of prices will be completed.

Priorities of the work programme on PPI for services for the future

The international efforts with the more complicated aspects of PPI for services, such as quality adjustments within the consulting industry and the development of the concept supporting PPI for export and import of services, should initially be dealt with in a somewhat smaller group of countries with a greater experience in PPI for services. It is important that the work is harmonised from the beginning.

Aggregating issues (discusses of needs and usefulness of aggregation, how to aggregate for achievement of harmonisation), can be put on the agenda of sessions PPI for services in the future.

In the future, the varying size of each country and the differences in industry structures will continue to limit the possibilities for harmonisation and uniformity. This is the same as for the country-specific needs of PPI for services within the System of National Accounts. It is therefore wise to concentrate internationally on the creation of certain minimum requirements in the area (PPI for services) that all countries should fulfil.

When the development work has begun in most countries with international support, the next step would be to secure the future of production resources for the area within each country, in competition with other existing and established statistical fields and also other price indices.

This important and decisive step on the road to permanent production of PPI for services has encountered several setbacks in certain countries, so the difficulties should not be underestimated. To attract other institutional interest (other than NA) for the PPI for services across the countries can be more stressed and emphasised.

TPI can be found on Statistics Sweden's website

<http://www.scb.se/pr0801-en>

Information Society Statistics (Anders Hintze)

Surveys and studies carried out

Statistics Sweden has during the last years conducted a number of surveys aiming at measuring access to and use of ICT among individuals and in enterprises. In addition to this Statistics Sweden are in the process of starting developing better metrics for measuring and quantifying ICT investments.

Use of ICT among Individuals

During April 2004 a large scale survey aiming at measuring individuals use of computers and Internet was conducted. This survey was carried out as a part of the Eurostat initiative on carrying out harmonised surveys in this area. The sample size was 5 500 individuals in the age span from 16-74 years. The survey itself focused on the access to and use of computers and the Internet and was carried through as an addition to the Labour Force Survey. Similar surveys have been carried out 1995, 2000, 2001, 2002 and 2003.

Survey of use of ICT and e-commerce in enterprises

This survey has been carried out five times, 2000, 2001, 2002, 2003 and 2004. The last three times it has been co-financed by Eurostat and coordinated with other member states of the European Union. The aim is to provide estimates for access to and use of ICT in enterprises and to determine the level of e-commerce among the enterprises. A cut off limit of 10 employees or more has been used and approximately 4200 enterprises were surveyed 2004.

Developing measurements of ICT investments

ICT investments constitute a large part of the total investments in most developed countries. Such large ICT investment shares will of course have an impact on GDP estimates and also on productivity estimates. Doubts regarding the quality of national figures could however be raised, i.e. due to the difference in the proportions between ICT equipment, telecommunications and software when comparing countries.

Sweden has therefore decided to initiate a project that aims at developing better measurement of ICT investments. The main objective of this project is to ensure that high quality statistics on ICT investments are available when calculating National Accounts. A spin off effect will be the possibility to calculate productivity taking into account ICT investments.

International cooperation

On the international scene Statistics Sweden has taken an active part in the development work conducted in cooperation between the Nordic countries, by Eurostat, OECD and the UN. The Nordic cooperation has among others resulted in a thematic publication describing the emerging Nordic information society. For the moment a project on developing methods for measuring ICT investments is being carried through.

Non-profit institutions (Cecilia Hertzman)

Sweden has carried out two pilot studies on income, costs and investments for non-profits institutions serving households (NPISH) for reference year 2000 and 2001. Due to budget constraints we have not yet been able to launch it as a regular survey.

Sales by services products (Cecilia Hertzman)

Statistics Sweden has conducted surveys on service's turnover by detailed products since reference year 1985. Different sectors have been investigated every year and with an interval of two to five years depending how expansive the sector is. Approximately four surveys have been conducted every year at the request from the National Accounts. We have also participated in Eurostats harmonised data collection program were the activities NACE 72 (Computer and related activities), NACE 74.11 (Legal activities), NACE 74.12 (Accounting, book-keeping and auditing activities; tax consultancy), NACE 74.13 (Market research and public opinion polling), NACE 74.14 (Business and management consultancy activities), 74.2 (Architecture, engineering and technical consultancy services advertising services), 74.3 (Technical testing and analysis), 74.4 (Advertising) and 74.5 (Labour recruitment and provision of personnel) were covered.

For reference year 2002 we are surveying NACE 70 (Real estate activities), NACE 63.23 (Other supporting air activities), NACE 63.3 (Travel agencies) and NACE 93 (Other service activities).

As from reference year 2003 the data collection is extended to cover all industries within the service sector. Data on turnover by product are included in the annual Structural Business Statistics questionnaire. This gives an opportunity to meet the demands from both the National Accounts and Service Price Indices. It is also a huge step in the direction of having an equal data collection for the service sector as for the manufacturing sector.

Short term indicators (Cecilia Hertzman)

From 2003 the Swedish Retail trade is published after T+26 days. This is 15-20 days faster than in 2003. One of the new "methods" in order to achieve this is that the data collection is done in cooperation with the Swedish Research Institute of Trade (HUI). During the last year we have also improved the coverage of quarterly data for turnover to cover almost the whole service sector. The only sectors missing are NACE 65-67, 75, 91 and 95.

There are a huge demand for different short term indicators especially for the service sector. In Sweden we hope to be able to use more administrative data to develop new indicators for services. Due to the respondent burden and the fact that the service sector consists of many small enterprises a different approach than using questionnaires must be developed. This is something we will put a great effort in doing during the next years.

Proposal for future topics of the Voorburg group meeting 2005-2007

(Norrman, Hertzman)

- 1) PPI for services (aggregation issues, quality adjustments within the consulting industries, indices for export and import of services, creation of certain minimum requirements in the area of PPI for services that all countries should fulfill).
- 2) Sales by services products (measurement of turnover of detailed products)
- 3) Service production index
- 4) New Short term indicators for the service sector such as orders and capacity exploitation
- 5) Non-profit institutions