



Towards a strategy for improving European services sector statistics

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Introduction:

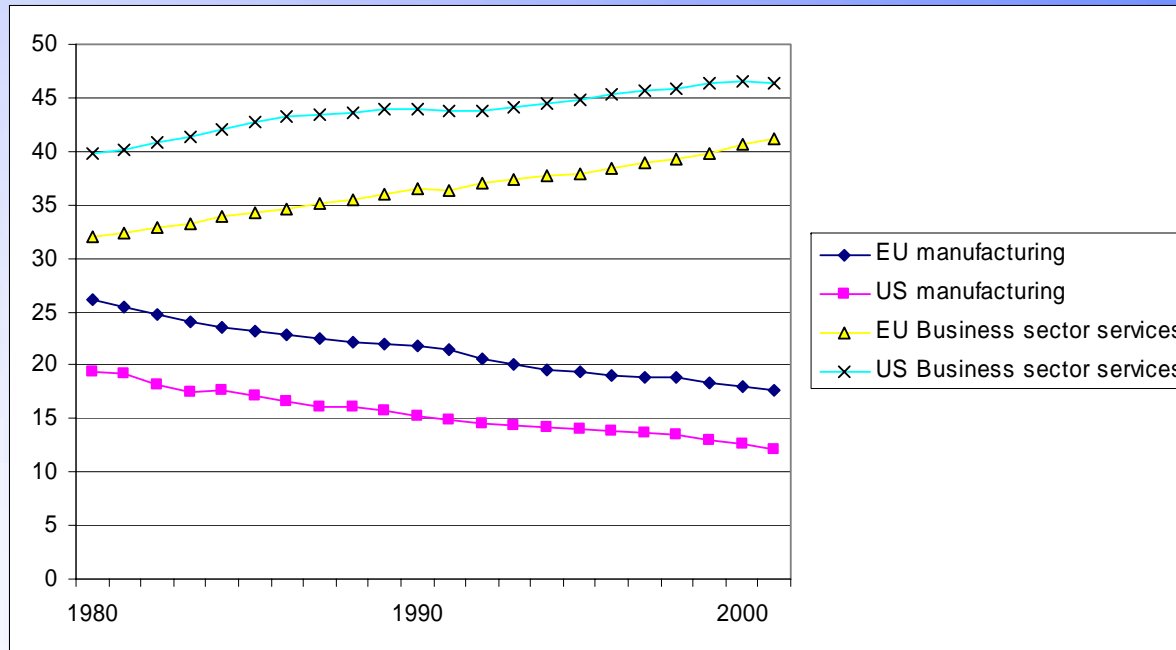
- The Commission finds that the time has come to make a serious effort to put the economic importance and potential of **services on the EU policy agenda**
- **Lack of awareness** of the role of the functioning and the potential impact that services possess for the development of the EU economy.
- **Concern:**
 - Poor productivity performance
 - Limits to employment growth
- **Communication** on the competitiveness of business-related services and their contribution to the performance of European enterprises

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What are business-related services ?

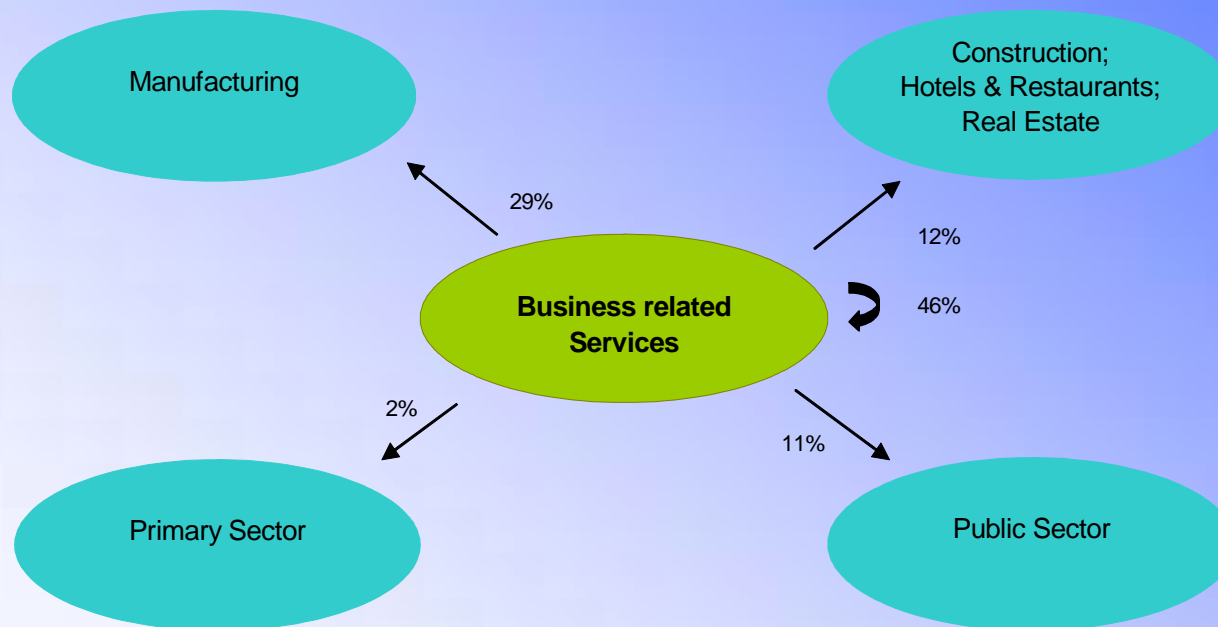
- **Business Services** (NACE 70-74)
- **Distributive Trades** (NACE 50-52)
- **Network Services** (NACE 40-41, 60-64)
- **Financial Services** (NACE 65-67)

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The relations between business-related services and the other sectors of the economy in the EU.



Share of intermediate BRS sales going to other sectors



Share of intermediate BRS sales going to BRS

All figures are based on total supply (domestic production plus imports)

Source: Calculations based on OECD input/output database.

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5 Key policy issues

1. Market integration and competition in business-related services markets is not vigorous enough to ensure and strengthen their competitiveness
2. The inputs necessary for the production (labour qualifications, integration of ICT and capital) are lacking in quality and quantity
3. The outputs from the business-related services enterprises are not sufficiently transparent (standards), valued (reporting on intangible assets) or documented (quality)
4. The provision and use of business-related services is limited in less developed regions and candidate countries, mainly affecting SMEs and convergence processes
5. Knowledge about the sector and the markets is scarce, hampering the decision making of enterprises and policy makers

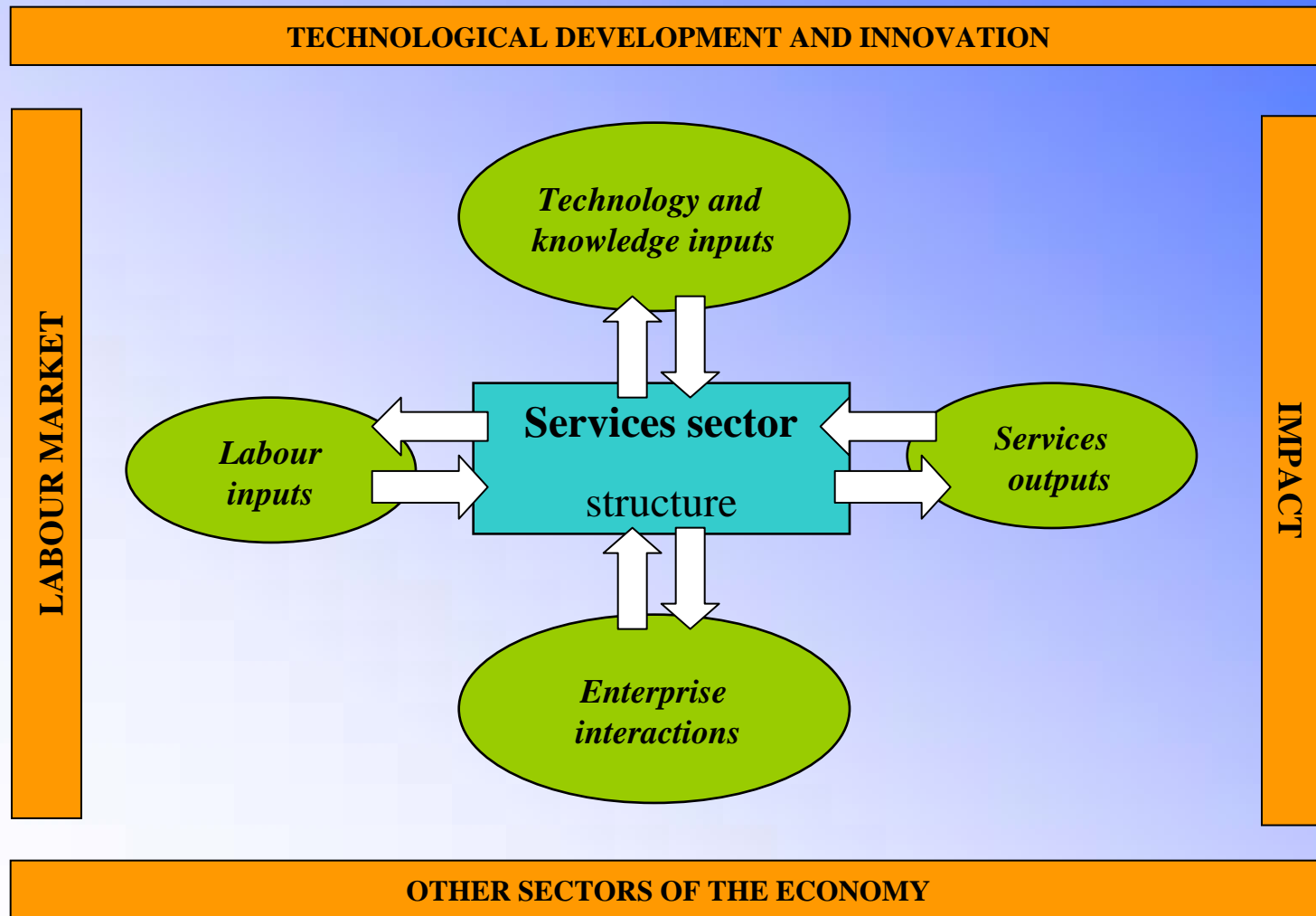
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Key policy issues

Knowledge about the sector and the markets is scarce, hampering the decision making of enterprises and policy makers.

- Improve the level of economic information and analysis (lack of recognition)
- A long-term strategy for services statistics in the interest of enterprises.

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Joint Development projects

- **Business Demography**
 - Births & Deaths, Survival of new enterprises
 - Factors of Business Success
- **Business Services**
 - Detailed NACE breakdown
 - Product and client information
- **Demand for services**
 - Breakdown of purchases of services
 - Cross-border purchases
- **Knowledge Management**

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Knowledge and statistics

- Identification of current research deficits on business-related services
- Improving the statistical coverage of the services sector
- Measurement problems related to productivity in services
- Establishment of a European platform for development and dissemination of information about business-related services

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Policy goals of the Commission

Sustainability

(economic, social, environmental)

Competitiveness

(productivity, employment, globalisation)

Entrepreneurship

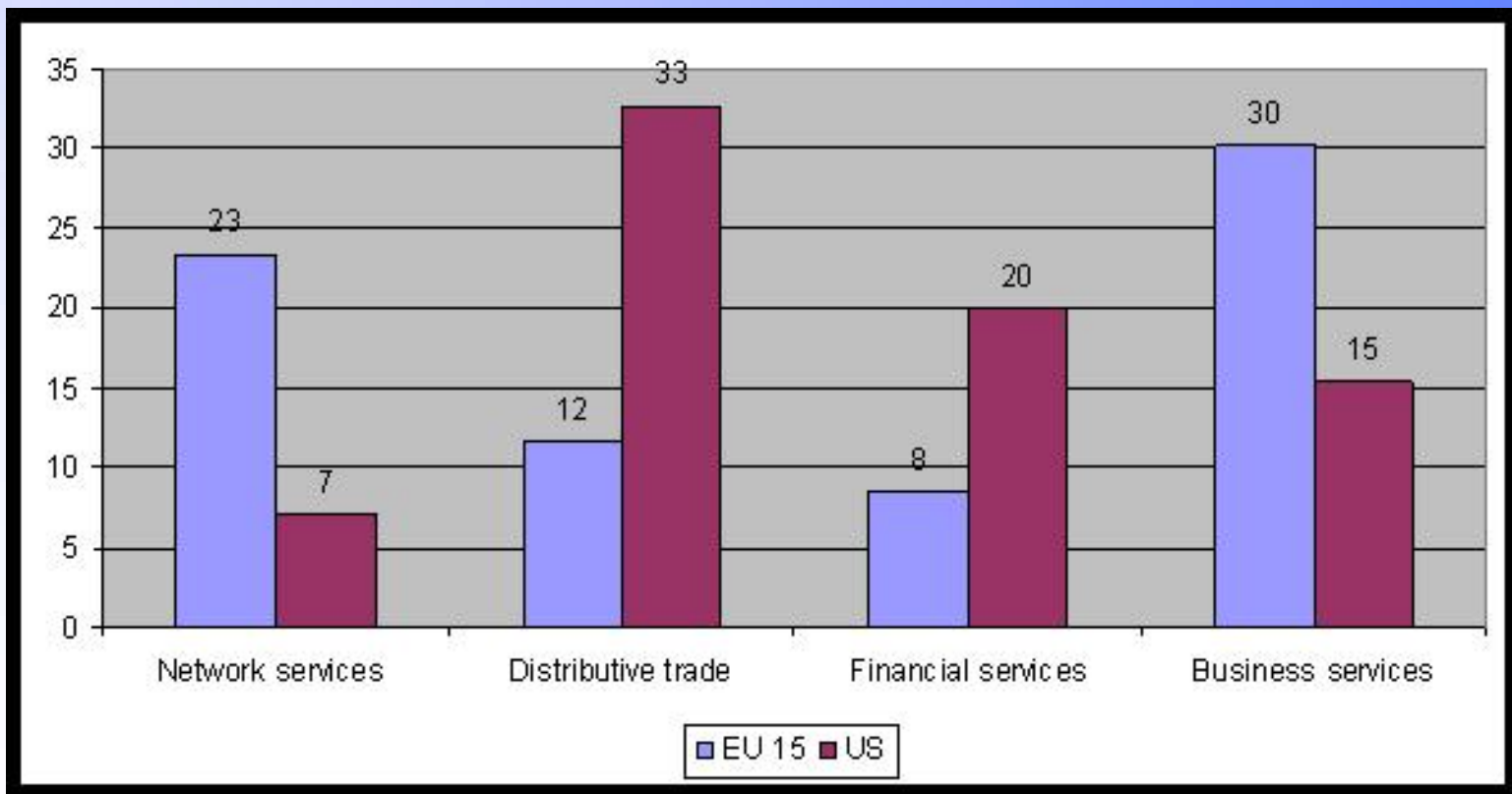
Innovation/ R&D

Internal Market

e-Business

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Contribution of business-related services to average annual labour productivity growth 1995-2001, as a share of total growth.



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Table 2. Difference in exports reported by India and imports reported by various importers
USD millions

	1997	1998	1999	2000	2001	2002
Total services						
Exports to all countries reported by India	9111	11691	14509	19175	20886	24859
Imports from India reported by						
US (1)	1224	1541	1520	1896	1810	1667
EU	2241	2425	2518	2268	2418	2275
<i>of which: UK</i>	702	803	958	865	1030	1007
Japan			455	423	357	326
Canada	117	118	102	107	155	
Sum of reported imports	3582	4084	4595	4694	4740	4268
Discrepancy	5529	7607	9914	14481	16146	20591
i.e. Percentage of Indian exports unaccounted for by the above countries	61	65	68	76	77	83
All commercial services, excl. travel and transport						
Exports to all countries reported by India	3852	6096	8892	13018	15126	18630
Imports from India reported by						
US	422	614	568	832	803	670
EU	722	800	905	689	957	800
<i>of which: UK</i>						
Japan			232	237	201	180
Canada	26	27	16	24	33	
Sum of reported imports	1170	1441	1721	1782	1994	1650
Discrepancy	2682	4655	7170	11235	13131	16980
i.e. Percentage of Indian exports unaccounted for by the above countries	70	76	81	86	87	91
Computer and information services						
Exports to all countries reported by India				6341	7556	9600
Imports from India reported by						
US				135	104	80
EU				114	336	177
<i>of which: UK</i>						
Japan				13	45	37
Canada						
Sum of reported imports				262	485	294
Discrepancy in total				6079	7071	9306
i.e. Percentage of Indian exports unaccounted for by the above countries				96	94	97

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- 1) Lowering the existing respondent burden by:
 - introducing digital and standardised reporting
 - revising existing data requirements

- 2) Utilising existing data registers in new and innovative ways by data linking

- 3) Supplement existing macro analysis with firm level analysis

=> still room for manoeuvre

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- Knowledge based economy
 - Relations between enterprises/sectors
 - Human skills (training, informal qua.)
 - Innovation in Services (improved CIS)
- Internationalisation of services
 - Global sourcing
 - International trade in services
 - FATS
- Competitiveness of services
 - Productivity (inputs/outputs)