

**Note on the Background and Objectives of an Informal Meeting
on Service Statistics**

UN Statistical Office

Note on the background and objectives of an informal meeting on service statistics

Over the past few years, there has been a growing recognition by countries and at the international level on the need for better statistics for services and service industries. Judging from the information obtained by the UN Statistical Office, partly in response to a 1985 inquiry, there are four main areas where service statistics are underdeveloped and thus need improvement:

- many general purpose statistics (e.g. employment, output, value added, etc.) cover the service areas. They do so, however, in much less detailed industry groups than for instance in the manufacturing industries, although services in many countries contribute up to 60 per cent of the GNP;
- for most services hardly any physical indicators were developed or defined;
- quantity and price components of changes in value are not sufficiently well separated;
- many services escape measurement because they are difficult to observe by traditional statistical methods. A very important area which escapes measurement is the international trade in services, the main reason being that customs are unable to observe such transactions and that it is difficult to separate transfer payments from payments for services rendered.

Part of the cause for insufficient service statistics is the lack of internationally agreed guidelines and classifications, particularly in major divisions 8 and 9 of the current ISIC. The Statistical Office of the United Nations, together with a number of other international organizations, has been working on the third revision of the International Standard Industrial Classification of all economic activities (ISIC) and the development of a new Central Product Classification (CPC), both of which contain a section dealing with services. Drafts of the classifications were sent to your Office in August this year. The first goal of the meeting should be to agree upon the service area in which each participant could take the lead in improving the current proposals.

In addition to classification problems, guidelines on other service statistics matters are also required. Suggestions for definitions and guidelines on such subjects as units of measurements, physical indicators, capacity measurement etc. are strongly needed. As to the quantity and price indices and constant price measurement for services, it should be taken into account that this subject is included in the programme of the Conference of European Statisticians (a meeting planned for the first half of 1988), and that the work on the revision of the SNA also deals with these problems. The meeting in the Netherlands may wish to consider whether any further actions would be needed in this field.

The meeting could also establish indicative timetables, covering work possibly extending into the next decade.

In view of the scope of the proposed agenda it is recommended that participants at the meeting in the Netherlands be persons with a broad knowledge of the subject matter in service industries. Work on classifications itself should, of course, be done in close co-operation with classification experts.

The Statistical Office of the UN will be happy to make available to each participating organization all documents, drafts, reports, comments etc. related to the relevant service area and will also indicate which are the specific problems in that area. It will also try to give as much guidance as possible in order to obtain results that are mutually compatible and can thus be incorporated in the ongoing work of the Statistical Office and the of the UN Statistical Commission to ensure inter alia that the related needs of developing countries and other countries not present in the meeting are taken into account. In this connection an appropriate UN expert group meeting is planned for 1987.

An agenda for the meeting in the Netherlands might include the following items:

1. Exchange of information about work in progress in participating organizations in the field of service statistics and classifications
2. Identification of areas which merit most immediate attention (establishing priorities)
3. Possible arrangements for collaboration or work sharing (timetables, sponsorship of meetings); the role of international organizations
4. Establishing a procedure for integrating the results