

User Needs for Service Sector Statistics

Central Statistical Office
United Kingdom

USER NEEDS FOR SERVICE SECTOR STATISTICS

1. Government needs for service sector statistics fall broadly into two categories. On the one hand, those relating to macro-economic analysis such as national accounts uses, and on the other more detailed micro needs for the planning and policy purposes of individual government departments. The relative importance of these two categories varies for different service sector industries and much of what is collected is used to meet both, to a lesser or greater degree. However, much of the macro-economic use of service sector statistics depends at present on what statistics can be made available as a result of other departmental needs. So these departmental needs are discussed first. A Table showing the main macro-economic and other information available by industry group is attached.

2. There are two main departments which carry out service sector statistics surveys on economic activities for their own needs - the Department of Trade and Industry (DTI), which uses the Business Statistics Office (BSO) within the DTI to carry out its surveys, and the Department of Transport. To these must be added the Bank of England which stands apart from the normal departmental organisation of government and also the Department of Employment which collects information for the whole economy which can be analysed by industry groups.

Department of Trade and Industry

3. Within the DTI the needs of policy divisions have hitherto been small, but have grown in recent years due to the increasing interest in proposals for sponsorship of various service industries. This has led to an enhancement to the range of statistical inquiries undertaken in the services sector. The needs of the general divisions in DTI are stronger and arise both from policy discussions about the role of the department in relation to service industries and from interest

in the service industries as a source of employment growth. Service sector statistics are needed by those divisions for general briefing work, to allow improved comparisons with the production sector and to better understand the developments within different parts of the service sector. A number of more specific needs for service sector statistics also exist:-

- (i) Estimating the effect of potential new schemes designed to provide financial assistance to services. Such supporting analysis is becoming increasingly important if the provision of additional finance for such schemes is to be approved. Other needs include the identification of growth areas in the services part of the economy so that plans can be made to expand provision of the appropriate skills and education if necessary, and assessing the impacts of capital and consumer expenditure by the service industries on other sectors.
- (ii) ^{under} The DTI sees an increasing need for information on trade in services for a number of reasons. Firstly the extension of financial assistance schemes to service trades which are internationally tradeable means that an assessment is needed of how much of each trade's sales go abroad. Secondly, additional information may be required to support efforts to liberalise international trade in services.
- (iii) Specific service industry information. There are a number of particular services industries or areas where specific needs exist for information. Outstanding amongst these is information technology, covering computer services, broadcasting and telecommunications, and needs also include financial services and some tradeable information. Some of these needs would unavoidably cut across a number of industry categories on any industry classification scheme.

Department of Transport

4. The Department of Transport (DTp) carries out a number of economic and other surveys on its own account to meet a variety of departmental planning and policy needs:

(i) They provide basic information on the structure of various aspects of the passenger and freight transport industries, including the relative shares of each mode of transport in the freight transport industry. They also allow trends in the level of supply and demand, and in fares for such things as public service vehicles to be monitored.

(ii) They provide information for planning and policy decisions on such matters as road building, vehicle regulations and traffic through ports.

(iii) Other broader needs include providing some components to national aggregates such as the retail prices index, and supplying information to the European Commission on such matters as the carriage of goods abroad by UK hauliers.

Bank of England

5. The Bank of England carries out a large number of surveys for its own purposes and to provide general economic data for the purposes of government departments, notably the CSO and the Treasury. The information collected covers the monetary sector in considerable detail and several other groups of financial institutions notably investment trusts and building societies (Information for the remaining groups of other financial institutions - insurance companies, pension funds and some consumer credit companies - is collected by DTI).

much of the information is collected for the Bank's own monitoring and control of the various financial institutions and markets for which it is responsible. This information is usually collected from all institutions in the field rather than, as elsewhere, for a sample only. Much of the information even in aggregate form is confidential. A range of informal information is also collected from financial markets as a result of the Bank's contacts and dealings with these markets.

Department of Employment

6. The Department of Employment (DEM) has responsibility for meeting a wide range of government needs for statistics, on employment, earnings and related subjects such as retail prices. The estimates for employment and earnings consist of monthly or quarterly time series both for the whole economy and for individual industry groups within it. Estimates of employees in employment and earnings are available for most though not all of the four digit ISIC groups listed in the table, but self employment statistics are only available at a very broad level of disaggregation. Some improvements ~~is~~ being sought to these data. A specific need is also felt to exist for information on tourism, although the difficulties of identifying and aggregating the tourism component of a number of different industry categories are formidable.

The Central Statistical Office

7. The Central Statistical Office (CSO) needs for national accounts, financial accounts, input-output and balance of payments purposes are largely met from surveys sponsored and managed by other departments, the CSO making secondary use of material gathered by those departments for their own planning and policy purposes. HM Treasury is the major customer for national accounts, for taxation and monetary policy purposes, other departments finding it convenient to work within the consistent framework of definitions and classifications derived from national accounting practices.

The main macro-economic variables of interest to CSO collected by BSO surveys are, as can be seen from the Table, turnover, capital expenditure and stocks. Consumption spending on the output of the services sector is mainly estimated from expenditure surveys. An extension to the service sector inquiries has recently been proposed and one feature of this is that it may be possible to use turnover data, suitably deflated, instead of inputs (usually employment) as proxies within the (net) output measure of GDP. It should also be mentioned that for some services data on turnover from the Value Added Tax (VAT) system is used at least as a short term indicator of change. Attempts are continuing to improve this VAT data for services subject to the tax, with the intention of broadening its use, mainly as a short term output indicator, to be supplemented by longer period surveys or other sources.

9. There are a number of other specific CSO needs for service sector economic statistics. These include:-

- (i) Improved capital expenditure and stocks figures, and information on various types of consumer expenditure on services to incorporate as part of the expenditure measure of GDP.
- (ii) More complete and detailed estimates of trade in financial services for inclusion in the balance of payments statistics. There are a number of weaknesses in this area at present the most pressing of which is considered to be in information technology.
- (iii) The input/output tables produced every five years are particularly weak in the services sector. There are three major gaps: estimates of output of service sector industries, details of purchases of goods and services by the service industries and details of purchases of services by all industries. As a result, while a considerable level of detail is produced

in the input/output tables where they relate to the production sector, very little breakdown is produced for services, and even then the accuracy of the data is not regarded as high.

Departments with Regional Interests

10. The poor quality and lack of detail in many of the national statistics in the services areas means that the level of industrial detail or the extent to which regional breakdowns can be produced is much more limited in the services sector than in the production sector. This has adverse consequences for central and local planning.

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International Standard Industrial Classification		Current Survey		Frequency & Turnover		Indicators Collected			Other Indicators Collected ⁵ and comments
Group	Title					Purchases	Stocks	Cap. Ex.	
6100	Wholesale trade	✓ ✓	A Q	✓ ✓	✓ ^{1,2}	✓ ✓	✓ ¹ ✓		Also details of business. Total purchase of goods collected infrequently, commodity breakdown of costs even less frequently.
	: Motor trades	✓	A	✓ ¹	✓	✓ ¹	✓ ¹		Also type of business. Purchases question relates to used vehicles only.
	: Commission Agents	✓ ✓	A Q	✓ ✓	✓ ^{1,2}	✓	✓ ¹ ✓ ¹		Identified and treated separately within wholesaling inquiry. Also a separate special survey asks for fees earned by business type and market, and for volumes traded by commodity.
6200	Retail Trade	✓ ✓	B B	✓ ¹ ✓ ¹	✓ ¹	✓ ✓	✓ ¹ ✓ ¹		Also type of business, persons engaged, VAT paid, outlets by region and turnover, commodity breakdown of sales. Total purchases of goods collected regularly, commodity breakdown of costs infrequently.
		✓ ✓	Q H	✓		✓	✓ ¹		
	: Motor trades	✓	A	✓ ¹	✓	✓ ¹	✓ ¹		Some additional indicators as above.

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P	International Standard Industrial Classification	Title	Indicators Collected						Other Indicators Collected ⁵ and comments
			Current Survey	Frequency ⁴	Turnover	Purchases	Stocks	Cap. Ex.	
		Restaurants, cafes and other eating and drinking places.	) ( A	✓ ¹	✓ ^{1,2}	✓	✓ ¹		Ask for details of kind of business.
1		Hotels, rooming houses, camps and other lodging places.	) ✓ ( Q				✓ ¹		Total turnover collected regularly, commodity breakdown infrequently. Purchases (with commodity breakdown) collected infrequently.
		Railway Transport	✓ ✓ A Q	✓ ¹			✓ ✓		) Public sector: not surveys)
2		Urban, suburban and inter-urban highway passenger transport.)) ✓	V	✓		✓		Fare changes; numbers, of employees, of types of vehicles and of passenger journeys; vehicle miles and receipts; income and expenditure breakdowns.
3		Other passenger land transport)						

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International Standard Industrial Classification		Indicators Collected						Other Indicators Collected ⁵ and comments
Group	Title	Current Survey	Frequency ⁴	Turnover	Purchases	Stocks	Cap. Ex.	
7114	Freight transport by road.	V	✓			✓		Volume of traffic; number of units. Number, length and route of journeys. Type of load, type and weight of goods carried.
7116	Supporting services to land transport	B Q	✓	✓ ²	✓ ²	✓ ¹ ✓ ¹		Asks for details of business.
7121	Ocean and coastal water transport	V	✓			✓		Number of passenger arrivals/departures. Commodity class, nature and quantity (weight/volume/number of units) of cargo.
7122	Inland water transport							
7123	Supporting services to water transport	✓ A						Freight payments, oil supplies and other balance of payments data, including fleet size, tonnage, charters by type.
		V						W Sea oil, gas volumes sold, support services work done.

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International Standard Industrial Classification		Indicators Collected						Other Indicators Collected ⁵ and comments
Group	Title	Current survey	Frequency ⁴	Turnover	Purchases	Stocks	Cap. Ex.	
7131	Air transport carriers	)						Balance of payments data for UK and foreign airlines; credits and debits, revenue and expenditure.
7132	Supporting services to air transport	) ✓	V	✓			✓	
)						
7191	Services incidental to transport	✓ ✓	B Q	✓	✓ ²	✓ ²	✓ ¹ ✓ ¹	Asks for details of business. Also separately, balance of payments data: travellers expenditure in UK and abroad.
7192	Storage and warehousing	✓ ✓	B Q	✓	✓ ²	✓ ²	✓ ¹ ✓ ¹	Asks for details of business.
7200	Communication	✓ ✓	A Q	✓			✓ ✓ ¹	
8101	Monetary institutions)						Balance of payments: overseas capital and current transactions by type. Invisible earnings by source and type.
8102	Other financial institutions) ✓	V				✓	
8103	Financial services)						

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International Standard Industrial Classification		Indicators Collected						Other Indicators Collected ⁵ and comments
Group	Title	Current Survey	Frequency ⁴	Turnover	Purchases	Stocks	Cap. Ex.	
200	Insurance	✓ ✓	V Q				✓ ✓ ¹	Balance of payments: income and claims by type. Quarterly overseas investment income and brokerage. Annually assets by type.
310	Real estate	✓ ✓	B Q				✓ ¹ ✓ ¹	Type of business.
322	Accounting, auditing and book-keeping		A	✓	✓ ²	✓ ²	✓ ¹	To begin for 1985
323	Data processing and tabulating services	✓ ³ ✓	A Q	✓ ¹ ✓ ¹	✓ ²	✓ ²	✓ ¹ ✓ ¹	Expansion of current survey. Also asks for number of persons engaged.
324	Engineering, architectural and technical services		A	✓	✓ ²	✓ ²	✓ ¹	To begin for 1985
325	Advertising services	✓ ³ ✓	A Q	✓	✓ ²	✓ ²	✓ ¹ ✓ ¹	Biennial at present

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Group	International Standard Industrial Classification	Indicators Collected						Other Indicators Collected ⁵ and comments
		Current Survey	Frequency	Turnover	Purchases	Stocks	Cap. Ex.	
129	Business services except those in 8130 below.	✓ ¹	A Q	✓	✓ ²	✓ ²	✓ ¹ ✓ ¹	Expansion of current surveys.
130	Machinery and equipment renting and leasing.							Covered within wholesale distribution or construction.
00	Public administration and defence.	✓	A				✓	Mainly public sector.
00	Sanitary and similar services							
10	Education services : public sector	✓	A				✓	
	: other		B	✓	✓ ²	✓ ²	✓ ¹	Under consideration for 1986. Except driving and flying schools - within transport.
20	Research & Scientific Institutes		A	✓	✓ ²	✓ ²	✓ ¹	Under consideration for 1986
		✓	Q				✓ ¹	Benchmark Inquiry every fourth year.

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International Standard Industrial Classification		Indicators Collected						Other Indicators Collected ⁵ and comments
Group	Title	Current Survey	Frequency ⁴	Turnover	Purchases	Stocks	Cap. Ex.	
1331	Medical, dental and other health services : public sector							
	: other	A	✓	✓ ²	✓ ²	✓ ¹		Under consideration for 1986
1332	Vetinary services	A	✓	✓ ²	✓ ²	✓ ¹		Under consideration for 1986
1340	Welfare institutions	) A/ B	✓	✓ ²	✓ ²	✓ ¹		Survey under consideration for 1986 for non-public bodies.
1350	Business, professional and labour organisations.							
1391	Religious organisations							
1399	Social and related community services n.e.s.							

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Group	International Standard Industrial Classification	Title	Current Survey	Frequency 4	Indicators Collected				Other Indicators Collected 5 and comments
					Turnover	Purchases	Stocks	Cap. Ex.	
411		Motion picture production							
412		Motion picture distribution and projection							
413		Radio and television broadcasts	✓	B	✓	✓ ²	✓ ²	✓ ¹	
414		Theatrical producers and entertainment services	✓	Q				✓ ¹	
415		Authors, music composers and other independent artists n.e.s.		A	✓	✓ ²	✓ ²	✓ ¹	To begin in 1985
420		Libraries, museums, botanical and zoological gardens and other cultural services n.e.s.		B	✓	✓ ²	✓ ²	✓ ¹	Under consideration for 1986.
490		Amusement and recreational services n.e.s.	✓	B	✓	✓ ²	✓ ²	✓ ¹	
			✓	Q				✓ ¹	

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International Standard Industrial Classification		Indicators Collected						Other Indicators Collected ⁵ and comments
Group	Title	Current Survey	Frequency ⁴	Turnover	Purchases	Stocks	Cap. Ex.	
511	Repair of footwear and leather goods							) Within (retail and wholesale) distribution.)))))
512	Electrical repair shops							
513	Repair of motor vehicles and motor cycles							
514	Watch, clock and jewelry repair							
519	Other repair shops n.e.s.							
520	Laundries, laundry services, cleaning and drying	✓ ✓	B Q	✓	✓ ²	✓ ²	✓ ¹ ✓ ¹	
530	Domestic services							
591	Barber and beauty shops	✓ ³ ✓	B Q	✓	✓ ²	✓ ²	✓ ¹ ✓ ¹	
592	Photographic studios including commercial photography	✓ ³ ✓	B Q	✓	✓ ²	✓ ²	✓ ¹ ✓ ¹	Processing laboratories covered under "production"

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International Standard Industrial Classification		Indicators Collected						Other Indicators Collected ⁵ and comments
Group	Title	Current Survey	Frequency ⁴	Turnover	Purchases	Stocks	Cap. Ex.	
19	Personal services n.e.s.	✓ ✓	B Q	✓	✓-2	✓-2	✓ ¹ ✓ ¹	
20	International and other extra-territorial bodies.							

- Notes:
1. Sometimes with some breakdown by business and/or expenditure type.
 2. To be collected intermittently.
 3. Results produced only as part of a broader industrial group.
 4. A = Annual; B = biennial; M = monthly; Q = quarterly; V = various frequencies including sometimes continuous surveys.
 5. Employment and earnings data is collected annually and quarterly for all industry categories.