

Outline of Index of Tertiary Industries Activity

Statistical Standards Department
Statistics Bureau, Japan

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Statistics Bureau
Management and Coordination Agency
Government of Japan

(1) History

The tertiary industries have increased their weights in the national economy in recent years and among these industries, there are some industries which are supposed to grow steadily and become more important in the near future. However, the existing statistical surveys on tertiary industries lack consistency and don't exactly grasp their trend. The statistical grasp of tertiary industries from the viewpoint of coping with the "inclination of the economy towards services and highly informational" has been highly requested.

Under such circumstances, the Ministry of International Trade and Industry considered to compile an index of tertiary industries activity to grasp the current trend of such industries from 1974 and published the test results from August 1976. After that, we improved the index on the views on test results from the Ministries and Agencies concerned and each industry circle and revised the benchmark period from 1970 to 1975 and moved to publish the results quarterly. Furthermore, we revised the benchmark period from 1975 to 1980 on December 1985.

(2) Coverage of the Index of Tertiary Industries Activity

The index covers the following industries based on the Japanese Standard Industrial Classification.

- Division G. Electricity, Gas, Heat Supply and Water
- Division H. Transport and Communication
- Division I. Wholesale and Retail Trade, Eating and Drinking Places
- Division J. Financing and Insurance
- Division K. Real Estate
- Division L. Services
- Division M. Government (not elsewhere classified)

(Note) All industries are divided into 3 groups, namely primary industries, secondary industries and tertiary industries.

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Primary Industries	Secondary Industries	Tertiary Industries
Division A. Agriculture Division B. Forestry Division C. Fisheries	Division D. Mining Division E. Construction Division F. Manufacturing	Division G. Electricity, Gas, Heat Supply and Water Division H. Transport and Communication Division I. Wholesale and Retail Trade, Eating and Drinking Places Division J. Financing and Insurance Division K. Real Estate Division L. Services Division M. Government (not elsewhere classified)

(3) Basic policy of activity concept and calculation

① Basic concept

The Index of Tertiary Industries Activity aims at the indicator which can show the activity rate of tertiary industries and can be defined as an index which integrates time series of production data of tertiary industries using the appropriate weights that can show the relative importance of each industry.

② Concrete calculation policy

It is nearly impossible for us to select time series of production data at each industry level because of limitation of available information. However, we, in principle, consider to select the industries which can represent the movement of real production as far as possible.

The weights which are used for integration are the amounts of value-added.

(4) Calculation of Index

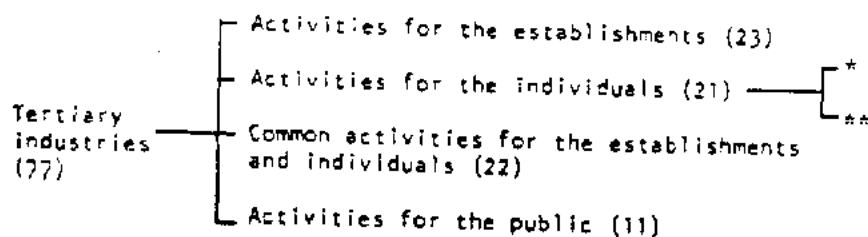
① Benchmark period

The benchmark period is 1980.

② Classification

- (a) The industrial classification adopted in the Index is in principle the Japanese Standard Industrial Classification (JSIC).
- (b) We set up a new special classification. All the industries selected for the index are classified based on the nature of services provided and the main demander.

System of Special Classification



* Activities related to daily life

** Activities related to recreation

(Note) The number in the parenthesis is the number of industry.

③ Index formula and weight

(a) Index formula

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$$I^{(L)} = \sum \frac{W_{0i}}{\sum W_{0i}} \times \frac{Q_{ti}}{Q_{0i}}$$

W_{0i} : individual industry 1980 weight

Q_{0i} : individual industry monthly average activities in 1980

Q_{ti} : individual industry t-month average activities

- (b) Weights are calculated based on the 1980 amounts of value-added. The amounts of value-added in the 1980 Input-Output Tables are used for this purpose.

④ Seasonal adjustment method

The seasonal adjustment method is the MITI III which is also used for the Index of Industrial Production.

⑤ Publication of the Index

The quarterly index is published after two months from the end of reference period. At the same time, the monthly indexes are published covering the former quarter.

Table 1 Industrial Classification and Weight of Index of Tertiary Industries Activity (Publication level)

Division	Group	Industry	Weight
General Tertiary Industries			10,000.0
ELECTRICITY, GAS, HEAT SUPPLY AND WATER	ELECTRICITY, GAS HEAT SUPPLY AND WATER		422.0
			422.0
		Electricity	300.5
		Gas	49.3
		Water	71.1
TRANSPORT AND COMMUNICATION	TRANSPORT		1,057.8
			766.0
		Railways Passenger Transport	96.7
		Railways Freight Transport	12.3
		Road Passenger Transport	182.7
		Road Freight Transport	228.4
		Water Transport	142.5
		Air Transport	45.6
		Warehousing	41.4
		Travel Agency	16.4
	COMMUNICATION		251.8
		Postal Services	45.7
		Telegraph	7.9
		Telephone	238.2
WHOLESALE AND RETAIL TRADE, EATING AND DRINKING PLACES	WHOLESALE TRADE		3,119.2
			1,529.4
		General Merchandise	86.8
		Textile Products	63.7
		Chemicals and Related Products	71.4
		Minerals and Metals	230.5
		Machinery and Equipment	304.5
		Building Materials	149.0
		Apparel, Apparel Accessories and Notions	123.1
		Farm, Livestock and Aquatic Products	113.6
		Food and Beverages	126.8
		Drugs and Toiletries	53.0
		Furniture, Fixtures and House Furnishings	55.9
		Miscellaneous Wholesale Trade	151.4
	RETAIL TRADE		1,176.5
		Retail Trade-General Merchandise	153.1
		Retail Trade-Dry Goods, Apparel and Accessory Stores	152.0
		Retail Trade-Food and Beverage Stores	320.4
		Motor Vehicle Stores	83.3
		Household Appliance Stores	64.2
		Miscellaneous Retail Stores	403.4

Division	Group	Industry	Weight
	EATING AND DRINKING PLACES		413.0
FINANCING AND INSURANCE	FINANCING		878.2
			640.9
		Bank of Japan	60.0
		Financial Institutions	481.3
		Institutions Dealing with Postal Savings	32.9
	INSURANCE	Securities Corporations	62.7
			237.3
		Life Insurance Companies	186.3
		Insurance Against Loss	51.0
REAL ESTATE AGENCIES	REAL ESTATE AGENCIES		684.1
			684.1
SERVICES	PERSONAL SERVICES		3,114.8
			820.2
	BUSINESS SERVICES		659.1
		Goods Rental and Leasing	35.3
		Automobile Rental	9.9
		Radio and Television Broadcasting	68.1
		Advertising	59.4
	PUBLIC SERVICES		1,635.6
OFFICIAL BUSINESSES	OFFICIAL BUSINESSES		723.9
			723.9

Table 2 Special Classification and Weight of Index of
Tertiary Industries Activity

Special Classification	Group or Each Industry	JSIC Code (Division)	1980 Weights (per 10 thousand)	
Activities for the establishments	Railways Freight Transport	H	12.3	
	Road Freight Transport	H	228.4	
	Water Transport	H	142.5	
	Warehousing	H	41.4	
	Wholesale Trade	I	1,529.7	
	Goods Rental and Leasing	L	35.3	
	Cooperative Associations	L	37.4	
	Information Services	L	102.4	
	Advertising	L	59.4	
	Building Maintenance Services	L	79.8	
	Professional Services	L	212.3	
	Guard Services	L	54.5	
(23)	Total		(2,535.4)	
Activities for the individuals	Activities related to daily life	Retail Trade	I	1,176.5
		House and Room Lessors	K	288.1
		Laundries	L	55.7
		Barbershops	L	28.9
		Beauty Parlors	L	36.1
		Bathhouses	L	13.3
		Photographic Studio	L	27.9
		Funeral Services and Cemeteries	L	15.4
	(13)	Sub-total		(1,641.9)
	Activities related to recreation	Travel Agency	H	16.4
		Eating and Drinking Place	I	413.0
		Hotels, Boarding Houses and Other Lodging Places	L	117.7
		Motion Pictures	L	9.5
		Theatres, Performances and Theatrical Companies	L	23.7
		Bicycle, Horse and Other Race Track Operations	L	61.8
		Amusement and Recreation Facilities	L	187.8
		Individual Instruction Places	L	55.2
	(8)	Sub-total		(885.1)
		Total		(2,527.0)

Special Classification	Group or Each Industry	Industrial Code (Division)	Weights on the base 1980 (per 10 thousand)
Common activities for the establishments and individuals (22)	Electricity	G	300.9
	Gas	G	49.3
	Water	G	71.1
	Heat Supply	G	0.7
	Railways Passenger Transport	H	96.7
	Road Passenger Transport	H	182.7
	Air Transport	H	45.6
	Postal Services	H	45.7
	Telegraph	H	7.9
	Telephone	H	238.2
	Bank of Japan	J	60.0
	Financial Institutions	J	484.3
	Institutions Dealing with Postal Savings	J	33.9
	Securities Corporation	J	62.7
	Life-Insurance Companies	J	186.3
	Insurance against Loss	J	51.0
	Real Estate Lessors	K	333.2
	Building and Land Subdividers, Developers and Brokers	K	62.6
	Automobile Repair Services	L	123.8
	Automobile Parking	L	63.4
	Automobile Rental	L	9.9
	Radio and Television Broadcasting	L	98.1
Total			(2,578.2)
Activities for the public (11)	Medical and Other Health Services	L	542.6
	Public Health Services	L	23.8
	Waste Treatment Services	L	88.9
	School Educational Services	L	705.9
	Social Educational Services	L	15.6
	Research Institutes of Science	L	35.0
	Religion	L	61.6
	Social Insurance	L	32.5
	Social Welfare	L	66.9
	Labour Organizations	L	62.7
	Official Businesses	H	723.9
Total			(2,353.4)
Total (33)	Grand total		10,000.0

Index of tertiary industries activity

		Total Index	Percentage increase on year, fiscal year or quarter earlier
Original series	1980	100.0	
	1981	103.3	3.3
	1982	106.7	3.3
	1983	110.5	3.6
	1984	114.9	4.0
	1985	118.6	3.2
	F.Y. 1981	104.1	3.4
	1982	107.5	3.3
	1983	111.6	3.8
	1984	115.9	3.9
	1985	119.7	3.3
Seasonally adjusted series	1981 1st quarter	101.9	0.9
	2nd "	102.6	0.7
	3rd "	103.8	1.2
	4th "	104.7	0.9
	1982 1st "	105.5	0.8
	2nd "	106.3	0.8
	3rd "	107.0	0.7
	4th "	107.9	0.8
	1983 1st "	108.7	0.7
	2nd "	110.0	1.2
	3rd "	111.2	1.1
	4th "	112.1	0.8
	1984 1st "	113.0	0.8
	2nd "	114.3	1.2
	3rd "	115.7	1.2
	4th "	116.4	0.6
	1985 1st "	117.3	0.8
	2nd "	117.9	0.5
	3rd "	119.1	1.0
	4th "	119.9	0.7
	1986 1st "	121.9	1.7
	2nd "	122.9	0.8
	3rd "	125.1	1.8