

STATISTICAL OFFICE OF THE EUROPEAN COMMUNITIES
STATISTICS ON SERVICES

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"Statistics on services" sectoral programme
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INTRODUCTION

The preparation of the statistics programme of the European Communities for 1989-1992 is carried out at present time, according to the orientations defined in the first point of the agenda of the Conference of the General Directors of the National Statistical Institutes -Sorrento, 18, 19 and 20 May 1988.

This paper gives a detailed description of the sectoral statistics programme "Statistic on services" on which the Member States' representatives expressed their views at the meeting of the Services Statistics Coordination sub-committee held in Brussels on the 6th and 7th June 1988.

In the view that work areas such as transport or tourism statistics will have to be integrated within a larger framework of statistics on services, a short description of the statistics programme to follow the Community policies on transport and tourism is also provided in Annex II.

EUROSTAT
SECTORAL STATISTICAL PROGRAMME
"Statistics on services"

1. Reference policies

Despite its growing importance in the industrialized economies, the services sector is still relatively poorly known because demand for statistics on it has only been piecemeal, spasmodic and indirect. However, there is a need for a number of Community policies, for better statistics on all services sectors, and other more sectorial policies need statistics in specific areas of the services sector.

There is an ever more pressing need in the Community for a comprehensive approach to the services entity. The objective of establishing a single market by 1992 means that there will have to be more comprehensive information on the activities of the services sector to make sure this large market is properly "transparent".

Negotiations in the Uruguay Round require statistics indicating the economic profiles of the services sectors for evaluation of international trade in services, their impact on the domestic economy and the competitiveness of Community producers.

Policies to help Small and Medium-sized Enterprises (SMEs), which the Commission is developing at the request of the Council, need improved statistics on all of the services sectors, since most SMEs are providers of services.

Several other Community policies require statistics in specific services fields - commerce, hotels and catering, transport, tourism, financial services, insurance, communications, information, business services etc.

2. Reference to the European Single Act

TITLE II, Chapter II, Section II, Sub-section I - Single Market.

3. The sectoral statistics programme "Services Statistics"

In the light of the general need for information on the services entity (discussed above) and the highly varied nature of the various services sectors, the creation of a statistical information system must adopt a dual approach:

- definition of an overall conceptual framework for the services entity;
- sectorization of the overall conceptual framework to reflect the various sectors.

At all times, the synergism of the two approaches should be borne in mind.

With these two approaches in mind, Eurostat has structured its sectoral statistical programme "Services Statistics" as follows:

1. Horizontal projects

- a) overall framework for the services entity
- b) Mercure data base.

2. Sectoral projects:

- c) Trade
- d) Tourism, hotels and catering
- e) Transport activities
Institutional statistics on enterprises providing transport services. For functional data, cf. Transport project.
- f) Financial services and insurance
- g) Communications, data processing services
- h) Business services.

A short description of these projects is given in Annex I.

4. Objective

The objective of the programme is to provide the statistical information required for the Community policies on services, as mentioned above.

Besides the information requirements of the European Institutions and national governments, one of the objectives of European policies on services is to improve the working environment of operators in the services market by providing them, via the European network of centres of documentation on services (REDIS), with the statistical information they need to analyse the services economy as a whole and by sector.

5. Activity definition

The project's initial phase comprising defining information requirements and a first evaluation of the feasibility aspect, and is based on a reference framework which is as wide and exhaustive as possible. The services entity concerns all activity sectors in NACE 6 to 9. Clearly, once this initial phase is over, there will be a multitude of resource and other problems which will force us to subdivide activities into a number of major categories and to draw up a longer-term strategy, which will be based on priorities dictated by the kind of statistical information needed for Community policy purposes; depending on the sources available in the Member States.

This strategy will be implemented according to priorities defined in terms of the need on statistics information of the Community policies, and of the available sources in the Member States.

Special attention will have to be given to ways of reducing the number of working parties and meetings by amalgamating certain closely related aspects.

The project will concentrate essentially on market services viewed from the angle of statistics on enterprises.

Community work in this field will comprise two closely linked activities:

- a) data collection and analysis, on the basis of sources already available;

b) the development of methodological and legal bases for the setting up of a statistical system on services.

6. Outline of the sectoral programme

In its first phase, the programme aims to

1. supplement the inventory of information currently available at both national and international levels, which covers both official and non-official information; it has become generally that there is a need to weed out non-official statistics and decide upon the usefulness of incorporating them into the coordinated system where possible;

2. set up a data base on services;

3. speed up the methodological work on the concepts to be used.

A second phase, due to begin in 1990, will be devoted to works of exploitation of the administrative sources and registers, followed by an assessment of the feasibility of Community surveys on certain aspects of services as a whole and/or on sectoral aspects covering certain priority areas.

The survey system should be based on registers of statistical units (enterprises, local units).

These registers, set up for statistical purposes, would contain a base of harmonized Community data which could be used to follow the "demography" of enterprises and their structural parameters (and those which change only slowly). Legal steps will have to be taken nationally and/or possibly at Community level to enable the registers to be updated regularly.

On the basis of the registers, using random samples and/or representative panels, statistics on the whole of the services sector could be supplied rapidly. Such data would in principle be aimed at meeting the requirements of short-term statistics but could also provide estimates for structural variables with a maximum of flexibility.

This work is in line with the conclusions as to future action reached at the Conference of the Directors-General of the National Statistical Institutes held in Palmela in May 1986. The first work in this field took the form of three registers on themes D2020 "Services", D2030 "Tourism" and D2040 "Transport" in the 1988 intermediate statistical programme.

7. Implications for the Member States

The Conference of the Directors-General of the National Statistical Institutes (DGINS) instructed the Coordination Committee on Services Statistics to:

- define a common basis for the development of a statistical system on the services sectors with special reference to coordinating the work of the various working parties in the specific sectors and the common problems of nomenclatures and methods;

- coordinate Community work with international organizations.

Pursuing the dual approach described in this document (i.e. overall framework on the one hand and sectors on the other), the Committee has mandated a sub-

committee to work on the "overall framework planning" and defined the fields of activity of the working parties on the following projects:

Trade

Tourism, hotels and catering

Transport activities

Financial services (including insurance)

Communications, data processing services, business services

The working party on "transport activities" attached of the Services Committee will also have to report to the Coordinating Committee on Transport Statistics, which has wider terms of reference and is covered by a Council Directive. This Committee is therefore responsible for the coordinating the whole of the transport project comprising both functional and institutional (enterprises) statistics (cf. Transport Project).

In the second phase of the programme, there will be a large volume of work for the national statistical institutes or other national bodies, particularly in view of the large number of small businesses in most of the services branches. The surveys will thus have to be carried out, at least in part, by sampling, which means that reliable up-to-date registers of enterprises must be available.

8. Coordination of Community work with international organizations

Eurostat is represented at a variety of meetings on services statistics held by the IMF, GATT and the UN Statistical Office (informal meeting of the Voorburg Group). The OECD has also done sterling work in the following groups:

- Trade committee
- Tourism
- Financial services
- Maritime transport
- Insurance
- Information, informatics and communications services
- Industrial services.

It will be up to Eurostat, in conjunction with the relevant Directorates-General of the Commission and the Services Committee, to examine how it can best assume its role of coordinator of the Member States' statistical work for international organizations with a view to ensuring that the Member States adopt a common stance vis-à-vis the international organizations. Eurostat is also keeping a watching brief on the international organizations' working with a view to the possibility of sharing with them the important planning work in this field.

9. Legal basis and possible financial contributions from the Community to the Member States

The survey programme for the second phase of the programme means that Community Directives will be required providing for financial contributions to the Member States.

10. Work in common with other Eurostat activities/projects

A number of other projects currently in Eurostat's statistical programme have a major services content or at least contain aspects related to services.

Implementation of a Community system on services statistics, with its horizontal analysis nature, cries out for coordination, which will have to be viewed according to three aspects:

- 1) The need to ensure coherence of methods and instruments with wider-ranging reference frameworks such as national accounts, nomenclatures, the register and the demography of enterprises, etc.
- 2) The need to avoid spending time on aspects of the project which are already covered by other Eurostat projects, such as employment statistics, consumer prices, etc.
- 3) The need to maintain links with other projects to services, such as Industrial services, input-output tables (micro-macro link), etc.

Other Eurostat projects which have a services content are:

the Community system of accounts: methodology
sectoral accounts
input-output tables and branch accounts
financial statistics
international trade in services
surveys on international trade in services
survey on financial consumption prices
classification of trade in services
methodology of trade in services
Industry: production of statistics
Small and Medium-sized Enterprises (SMEs)
panels
registers
employment and unemployment
annual labour force surveys
survey of labour costs
economic accounts for agriculture

11. Work in common with other activities/projects of other Commission DGs

The importance in Community terms of an overall approach to the services entity has led the Commission to set up, within Directorate-General III, a special Division III A 4 "Services Market" to take the lead in coordinating Community policies on services.

The creation of this division serves to consolidate the overall approach to the services entity, an approach which had already been adopted by the Commission's inter-departmental group responsible (under DG I) for the Uruguay round -Services (ITS, International Trade in Services group).

With a view to consolidating this coordination, it has been decided to call regular meetings of a Services Statistics Users' Group, which is open to all Commission units interested in the subject and is responsible for:

1. placing Eurostat's activities in the field of services statistics in the general context of Community policies and ascertaining the main requirements for relevant statistical information;
2. supplementing inventories of non-official information available from non-governmental organizations; ascertaining the importance of such information and integrating it, wherever possible, into the coordinated system.

DGs I, II, III, V, VII, XIII, XV and the SME task force take part in the work of the users' group.

11a Contacts with professional organizations

Throughout the programme, contacts will have to be established with professional organizations in order to define the information requirements of those working in the services market (cf. objective) and supplement the inventories of non-official data available.

These contacts will be coordinated by the Users' Group.

12. Data processing implications

Cfr. Project "MERCURE".

13. Distribution implications

Cfr the different projects of the services programme.

ANNEX I

THE PROJECTS OF THE PROGRAMME

Horizontal Project

General framework of the services entity

The project tries to establish a set of variables which have a common meaning across all the sectors of Services, and which will clarify the methodological problems of measuring its variables for the entities which produce services. The initial phase of the project defines the framework of data collection in Member States (questions, registers panels etc). It carries on to the collection and the analysis of the information which is available, in order to evaluate what will be necessary for harmonization and to provide an adequate legal framework. The project must coordinate all this work at the Community level, with International Organizations as well as with other sectors. It must be able to cope, by ad hoc procedure, with request for information not covered by sectoral projects written into this programme, and in particular with the Services provided to society in general, Leisure Services and Personal service.

DATA BASE for Services "MERCURE"

The information collected in the different projects will be stored, as structures in a data base, structured in three main categories:

- official statistics, collected in Member States, using national categories which have not been harmonized
- data drawn from other Eurostat projects, which are related to Services
- non-official data obtained during collection with other Departments of the Commission

In a second phase, the methodological work applied to its projects described above, must allow the creation of data sets, harmonized at the Community level.

Sectoral Projects

For each sector project there must be:

- an evaluation in each Member State, of the feasibility of applying these methods and concepts for the sector SERVICES, as a whole.
- a definition of the variable, and the detailed nomenclature for each sector, which are necessary to satisfy by the need created by the heterogeneity of the different sectors and Services.

Distributive Trade

The objectives of this project are:

- to implement, as to refine the "General reference programme for statistics on enterprises in wholesale and retail distribution in the countries of the European Economic Community" already worked on by Eurostat.
- to monitor the changes in the sector produced by the economic crisis and by

the application of the new technology.

Both factors have lead to many sectoral "revolutions" such that the trades channels have been shortened, new distributive trade firms have been created, and the highly important requirement for a better formation of working people to new technologies has been shown.

Hotels and catering

This sector, characterized by a very large number of small and medium sized enterprises, an important percentage of independent work and seasonal activity, needs the elaboration of particular sectorial indicators.

Concerning the travel agencies, particular attention must be paid to the auxiliary activities of some large companies (banks, insurances, larger shops), who have a very important impact on the activity of the sector. Because of the similarity of the problems, these two sectors are developed together with the statistics on tourism.

Transport

The project "Transport" will link the already existing statistics on transport flows (cf. Annex II) adding to them financial, and economic data based on enterprises.

Financial Services (Including Insurance)

The project covers credit institutes, insurance societies, stock exchanges, leasing organizations etc.

The sector will be analysed from three points of view:

- (1) Structural, which is necessarily institutional
- (2) Financial Operations (creation of financial services)
- (3) Value added by financial services

As far as possible, the statistic indicators selected in accordance with the Council Directive of 8 December 1986 (86/635/CEE) concerning the presentation of a simplified balance sheet as well as other Directives projects are underway.

Given the importance of these sectors in National Accounts, particular attention will be paid to the economic importance of the information derived.

Communications, data-processing services

The objectives of this project is to derive -

- statistics of the organizations using communications service, and computer service
- statistics on the infra structure of the sector
- the statistical information necessary to monitor the European market for information
- a study of the impact of information on the use of the different service sectors. This analysis must be discussed from the point of view "Function"

>Business Services

The Communities work in this domain is directed to the development of the statistics required to follow the changes in its sector caused by the application of the new technology (the advanced development of the tertiary industry).

The project will analyse (conjointly with industrial projects) the tertiary to "buy in" the services necessary for enterprises.

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ANNEX II
TRANSPORT AND TOURISM

TRANSPORT AND TOURISM POLICIES

Transport policy is characterized by new Community actions in the domains of air and maritime transport, the liberalization of international passenger transport, new supervision and negotiation tasks assigned to the Commission.

Tourism policy, in pursuing six major objectives of analysis, information and intervention, necessitates the development of an appropriate statistical base.

The work of Eurostat in the domains of transport and tourism comes within the more general framework of services statistics.

Transports

EUROSTAT'S work has been structured according to a sub-project related to the activities of firms supplying transport services and two projects related to the transport infrastructure that are themselves divided into sub-projects.

The sub-project "transport activities" is integrated in the larger frame of the statistics on firms and is intended to supply financial and economic information about the firms.

- "Transport methodology": This project aims to satisfy the need for information induced by the recent development in the transport policy. It has been structured according to the following sub-projects/activities:

1. Seaport and maritime transport statistics.
2. Airport and air transport statistics.
3. Transit statistics (Austria, Yugoslavia, Switzerland).
4. The effects of 1992 on the (existing and future) transport statistics.
5. Passenger transport statistics.

- "Transport - production and development": This project has been structured according to the following sub-projects/activities:

1. Data base TRAINS and publications.
2. Extension of the directives relative to goods transport by road, rail and inland waterways.
3. Foreign trade by mode of transport.
4. Road safety.

Other work that is mainly statistical is being carried out by the Commission General Direction VII "Transport". It is concerned with:

- the observation system for the interior market of transport by road, rail and inland waterways.
- the activities of the transporters by road in relation with certain other countries.
- the control of Community quotas (transported tons, tons-km) by road.
- the control of the concurrence between maritime transporters of the Community and other countries.
- the cost for infrastructure.
- the economic situation of the railway (accounts and optional data).

TOURISM

Community actions in the domain of tourism pursue six objectives:

- 1) the facilitation of tourism within the Community;
- 2) a better staggering of tourism both in time and in space;
- 3) improvements in the operation of Community financial instruments;
- 4) improved tourist information and protection;
- 5) to analyse the work context of the professions of tourism;
- 6) a better understanding of the problem of the sector and the organization of consultation and cooperation.

For each of these six objectives statistical information is necessary in order to carry out Community actions.

This information, by its horizontal character, necessitates an approach which makes use of several statistical domains. Given the similarities of this analysis with the analysis of the whole service sector, EUROSTAT is trying to integrate work on tourism statistics within the larger framework of the conception and operation of a statistical system on the services sector.

In order to avoid project proliferation and given the similarities mentioned above, work on travel agencies and firms that supply HORECA (hotel, restaurants etc) services has been attached to the tourism project.

In order to supply basic data on this domain, a draft directive and a draft regulation will be submitted to the Council.

The draft directive is concerned with:

- the capacity accommodation, the prices, the arrival of foreign visitors etc.

The draft regulations concerns the organization of a sample survey on the vacations of European Community residents.

The directive and the regulation envisage Community financial contributions to the Member States.

Passenger transport statistics form part of the 'transport' project.

Payments and earnings in the category of international tourism are integrated in the balance of payments and international exchange of services projects.

The data are structured within the data base TOUR (Tourism).