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EXPANDED SERVICE STATISTICS IN SWEDEN. A 3-YEAR PLAN
FOR THE FISCAL YEARS 1989/90-1991/92

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Introduction

Statistics Sweden has recently presented a plan on how to expand the private service statistics (excl financial services). It covers the fiscal years 1989/90 to 1991/92. This paper will review the actions Statistics Sweden has taken in recent years in the service sector and what we suggest should be done over the next 3 - 4 years to improve the situation.

In spite of the support given by the users, including the government, the funds have not increased enough and it is doubtful if the plan we have presented can be entirely realised.

As in other industrial countries, the private service sector in Sweden is extremely heterogeneous and its economies change rapidly. The present activity classification is partly obsolete, and the users demand better activity specifications. Of course there are problems connected with the ambitions to expand the information about the service sector, when the new classifications are not yet adapted nor entered in our enterprise register.

Another point is the fact that very small enterprise units dominate the service sector in Sweden. More than half of them are non-employers. About 80 per cent have a staff of fewer than 5 employees. Ten per cent of a total of 250 000 service enterprises have no market production (non-profit-making bodies). Furthermore, for these small companies we have no control that the classification by activity once made is still correct. There is some reason to believe that, if checked, some 10-20 per cent would have to be reclassified.

Up to 1985 the economic statistics on the private service sector were limited to statistics about the financial accounts of enterprises, and revenue (turnover) statistics mainly covering wholesale and retail trade. The financial accounts statistics only cover non-financial enterprises within the corporate sector. Unincorporated enterprises with no obligation to produce and provide official balance sheets and profit statements were excluded. Otherwise the statistics cover the whole economy but with samples that allow but limited disaggregations. Since 1985 the service statistics have been somewhat extended. A new yearly production-statistical survey has been introduced and new administrative data sources have become available.

Specifically, compared to the financial accounts statistics, this new service survey with much larger samples, in particular among the small enterprise units, yields

- detailed breakdowns of revenues (and expenditures)
- breakdowns of turnover by kind of service purchaser
- investment figures, and we have the ambition to include immaterial assets as well

The attempts to improve the state of affairs in the collection and dissemination of data on the private service sector in Sweden have now resulted in a coherent plan, described below.

Objectives

The new primary statistics intend to provide better estimates of levels and changes in:

- a) service production by industry incl value added, operational surplus, investments and employment
- b) various profit ratios, equity ratios, etc on the basis of book-keeping data
- c) service production broken down by service products

The new statistics should also give some information for input-output analysis:

- d) the sectors that buy the services. Final consumption and exports are included. Information by industry

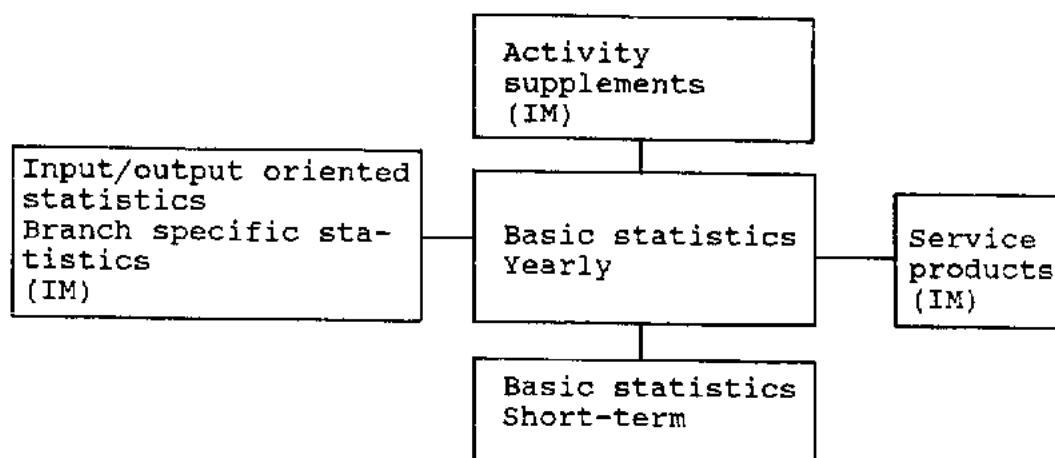
Finally the statistics are intended to provide details on:

- e) volume and productivity of the service production
- f) institutional changes in service production (contracting out and shifts from public to private production)

A coherent development plan

In view of the lack of funds the demands for statistics should be met by a flexible combination of quarterly and yearly surveys and intermittent surveys. The quarterly and yearly statistics should be customized to the needs of the national accounts, i. e. as far as a breakdown by industries is concerned. The intermittent statistics should be seen as supplementary to the yearly information and provide more detailed figures by industry, the output divided by service products, information on buyers of the services, etc.

The information supply could be outlined as follows:



The quarterly and monthly statistics give only turnover figures. For wholesale and retail trade the estimates of sales changes made cover many subsectors. In the case of transport, quarterly statistics are available for railway transport, freight transport by road (new) and water transport. For other services (business and personal services) the estimates by industry are few.

The yearly surveys are planned to consist of a detailed registration of variables from company book-keeping (financial account statistics) for enterprises with more than 5 employees and a few variables (revenues, costs, wage sum, number of employed and a few other items from the balance sheet and the profit and loss account) from small companies (< 5 employees). Since 1987 this integrated survey covers distributed trade, hotel and restaurants, transport, business services, machinery and equipment rental and leasing, sanitary and similar services and laundry services. If funds are provided, we plan to increase the scope of the survey in 1989 to real estate, private education services, research and scientific institutes and private health. By 1990 or 1991 the whole service sector would be covered.

Thus, the number of data items collected will significantly differ between enterprises with a staff of 5 persons or more, and smaller enterprises. From the smaller enterprises only the figures necessary for computing production and value added will be collected. It will be assumed that the total sales from the smaller enterprises will cover one service product only.

Data sources

The plan does not cover financial corporates. Administrative sources are used to a great extent.

Data sources	Year	IM
corporates > 50 employees	survey	survey
corporates > 5 and below 50	official book-keeping data	survey
corporates < 5	official book-keeping data	official book-keeping data
Unincorporated enterprises	income declarations	
non-profit-making bodies	income verifications	

The Swedish VAT register is an important data supplier, even if most services are not covered by the tax. It gives turnover figures for distributed trade, land transport by lorries (domestic transports), civil engineering services, advertising, machinery rental, repair services and laundry and cleaning services. As the register does not provide figures by establishment units, we send a supplementary form to companies having establishments in more than one municipality and ask them to supply us with turnover figures broken down by establishments. With this complementary information the register provides us with total turnover by regional breakdowns.

The total registration of income verifications constitutes a new administrative source. The income register gives us the wage sum paid per individual and per enterprise. The first results were recently published, pertaining to the year 1985. Employment estimates will be made, and because it is a total register, employment can be broken down in great detail. The labour market could be studied with respect to age, sex, wage levels, regional areas and mobility of employees.

A plan for expanded intermittent surveys

According to the diagram on page 3, the yearly basic statistics will be supplemented by intermittent surveys, each year covering one or two sectors. In general, the surveys should be repeated every three years. In 1986 we carried out a survey of business services and machinery rental and leasing pertaining to 1985. In 1987 hotel and restaurants and in 1988 retail trade were surveyed.

The 1988 retail trade survey consists of two parts. One is a questionnaire for the sales, asking for fairly detailed breakdowns of various goods and services in per cent of the total sales of the year. The other part is quite an enlarged -compared to the regular yearly survey- compilations of data from book-keeping accounts.

1989 surveys

Wholesale trade, business services, and machinery rental and leasing will be included.

For the national accounts calculations there is a need to get information on trade margins by product groups, a demand which at present is far beyond our financial limits to satisfy. However, we have asked for additional funds to implement the necessary items in the wholesale survey. It is satisfactory to collect such margin items by product groups with six-year intervals.

We have also asked for funds to enlarge the wholesale trade survey with special questions on "high tech" trade, mainly imports. One reason is to test if the enterprises in question should be classified differently from now, and in such a way that trade with computers, software and other equipment could be estimated. The present activity "wholesale trade of machinery" includes about 10 000 enterprises, of which about 3 000 might be classified under the heading technique trade.

If funds are provided, the 1989 surveys will be enlarged to cover the real estate sector, private education, research and private health as well.

1990 surveys

The 1990 surveys are to cover transport activities, mainly freight transport by road. Data gaps in some transport industries still remain, particularly in passenger transportation services other than by rail.

1991 surveys

The 1991 surveys will include retail trade and we hope to expand the intermittent surveys to social and personal services (major division 9 in ISIC, rev 2).

1992 survey

Surveys in wholesale trade, business and machinery rental and leasing will be repeated.