

**Annotated Outline of a
Methodological Manual for Price and Volume Statistics
in Services**

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Problem statement

1. Price and volume measures have been regarded over time as a major component of the statistical system in the area of services. Substantial efforts in this domain have been and are being made at both national and international level (UNSO, UN/ECE, OECD, Voorburg Group). However, many problems have been identified for which solutions do not yet exist.
2. Eurostat would like to catalyse efforts and to promote the development of a "Methodological Manual for Price and Volume Statistics in Services". This manual would aim at:
 - (a) supplying a conceptual reference framework for price and volume statistics in services;
 - (b) establishing guidelines for promoting, improving and harmonizing statistics in this domain.
3. Mr. Flottum's document "Volume measures of services and service industries - Draft international guidelines", presented at the 5th Voorburg Group meeting (Paris, October/1990), constitutes an excellent contribution for future developments.
4. The Manual would be a natural companion of the Methodological Manual for Enterprise Statistics in Services for which a first edition has just been achieved.
5. Even if the target manual would also have implications for National Accounts, its main application is to be seen in the framework of detailed statistics on the production system considered in its two main components:
 - (a) enterprise statistics (institutional approach),
 - (b) product statistics (branch approach).
6. The Manual would deal with the need of analysing both the activity of service enterprises (volume of activity) and the evolution of service production (volume of products). The availability of volume indicators for both activities and products would be very significant in inter-sector analyses of the production system: e.g., volume of (groups of) services produced by industrial enterprises.
7. A very urgent need to be satisfied consists in deflating short-term value indicators of activity or production in services.

8. In order to provide a sound basis for price and volume statistics in services, the Manual should pay a particular attention to the following issues:

- (a) notion/definition of service product,
- (b) product classification(s),
- (c) relationship between activities and products.

9. Previous experience showed that a methodological manual is a complex and long-perspective undertaking, and its development is enormously facilitated by the preliminary establishment of a detailed annotated outline. This paper attempts proposing a possible outline and adopted the same overall structure as for the Methodological Manual for Enterprise Statistics in Services, i.e.:

I. Introduction

II. General framework

III. Sector specifics.

10. This paper is not meant to provide or anticipate any methodological contribution. It mainly aims at:

- (a) proposing a menu of topics to be investigated and developed at international level,
- (b) providing structure for some possible output of the Voorburg Group.

Annotated outline

I. INTRODUCTION

I.1. Objectives of the Manual

1. *The Manual is to be established with a view to promote it for a final widespread application. In this perspective, the objectives of the Manual are to be clearly stated, concerning in particular applicability and comparability issues in statistical systems with different development degrees and/or different current approaches in service price/volume statistics.*

I.2. Reference frames

2. *The development of the Manual has to take into account the relevant reference frames existing at international level (e.g. SNA/ESA). These frames are to be inventoried and briefly characterized as to their relevance for the present Manual.*

I.3. Structure of the Manual

3. *The structure of the Manual is to be described as to:*

- (a) *statistical aspects considered,*
- (b) *sectors covered,*
- (c) *purpose of and relationships between the different parts of the Manual.*

II. GENERAL FRAMEWORK

II.1. General background

4. *An inventory is necessary as to previous general work that has been done over time towards the establishment of methodological guidelines by national statistical actors and international organizations (UNSO, UN/ECE, OECD, Voorburg Group, ...):*

- (a) *driving forces,*
- (b) *important meetings and conclusions,*
- (c) *results achieved.*

II.2. General concepts and approaches

5. *Relevant excerpts of general theoretical reflection underlying service price/volume statistics are to be presented:*

- (a) *notion and definition of service product(s),*
- (b) *notion of price and volume (quantity and quality) in services;*
- (c) *relationship with enterprise oriented concepts (turnover, value of production, value added, ...);*
- (d) *measurement issues (price observation for defined product units, problems related to quality change, direct indicators of quantity, ...).*

II.3. General issues on units and classifications

6. *The Manual should identify/examine problems and solutions concerning units and classifications for price/volume statistics in services. In particular, the following aspects need a special attention:*

- (a) *definition of "groups of products" in services (in liaison with theoretical issues covered in Section II.2),*
- (b) *development of CPC and CPA (Classification of Products according to Activities) and their role in service price/volume statistics,*
- (c) *choice of specific products as "representatives" for groups of products in the framework of CPC and/or CPA.*

II.4. General variables and indicators

7. *For each variable/indicator a "standard description form" has to be established including the following items:*

- (a) *code,*
- (b) *name,*
- (c) *definition,*
- (d) *calculation method (if any),*
- (e) *additional comments.*

8. *Calculation methods have to be described in liaison with the conceptual frame and measurement issues covered in Section II.2. In particular, advantages, drawbacks and general recommendations for the different measuring approaches have to be presented in a detailed way.*

9. *It is necessary to deal with the question of combining the activity/product oriented indicators into aggregates for wider categories in the activity/product classifications. In particular, weighting methods have to be taken into account and discussed (by turnover, by value added, ...).*

II.5. General information sources

10. *The information sources that are relevant "in general" for service price/volume statistics are to be identified and suitably described in a framework structured according to the following source classes:*

- (a) *administrative sources,*
- (b) *established statistical instruments,*
- (c) *specific surveys (e.g., trade associations surveys).*

III. SECTOR SPECIFICS

11. *Sector specifics are to be developed for each of the following sectors:*

- (a) *Distributive trade*
- (b) *Hotels, restaurants, catering, travel agencies*
- (c) *Transport services*
- (d) *Banking services*
- (e) *Insurance services*
- (f) *Telecommunication services*
- (g) *Business services*
- (h) *Audiovisual services*
- (i) *Personal and collective services:*
 - *Social security*
 - *Education*
 - *Health and social work*
 - *Activities of membership organizations*
 - *Recreational, cultural and sporting activities.*

12. *For each sector, all the aspects covered in Section II (General framework) are to be examined, adapted and completed from a sector/sub-sector point of view.*