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Description of Prices and Quantities Studies to be undertaken on Transport Freight (N), on Business Services (F) and on postal and telecommunication Services (D)

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Price and product statistics for services

Introduction

Price and product statistics are still a rather underdeveloped area of statistics. As a very first step Eurostat supports currently three studies conducted by different national statistical offices in this field, in support of its more general aim to contribute to the development of those interrelated areas of price and product statistics for services, something also enscrined in its new statistical programme.

This document summerises briefly the content and aims of these studies so as to inform the Voorburg Group about the proceding with respect to this subject within Eurostat. It should be placed within the context of the intention to inform and discuss within the Voorburg Group the development of price and product statistics at the international level and to guide the development of and research on these statistics in productive directions.

1. Background

As explained in a separate paper presented to this meeting of the Voorburg Group Eurostat is currently organizing pilot surveys in a number of services sectors, in particular the hotels and travel agencies and audiovisual services with the intention to extent this exercise to other areas at a later stage. Not all countries are participating in by actually executing the proposed surveys The current state of development of services statistics in these countries does not necessitate such an exercise. They have opted instead for studies which would bring forward the knowledge on services statistics, in their country but of course also for the European Community as a whole. These countries are France, Germany and the Netherlands¹. All three of these countries will conduct studies to develop statistics on prices.

2. Description of current studies

The studies which are supported by Eurostat concern three areas: road freight transport, postal and telecommunication services and business services

2.1 Road freight transport

The Centraal Bureau voor de Statistiek of the Netherlands will do a study on price indexes for road freight transport. Previous experience of the CBS to calculate value indexes on the basis of information on a number of physical indicators have proven that this approach is not giving reliable enough results.

It now intends to develop a price statistics on the basis of a survey where a panel of enterprises will regularly be asked to make an offer with a freight price for transport of certain good with a certain weight to certain destinations. A distinction will be made

The Netherlands will also perform a study to develop a suitable product classification for legal services supported by Eurostat as well. This study however falls outside the scope of this paper.

between regular and incidental clients while both domestic trips and trips abroad will be covered. The offers should be based on actual circumstances regarding the level of competition, the possibility to combine trips etc. wile also the contracts to be evaluated will be adapted to the actual circumstances reigning in the firm. After the development phase a regular survey is supposed to be set up.

2.2 Postal and telecommunication services

This study is done by the Statistisches Bundesamt of Germany. This study aims redefining the indicators used for deflation purposes given the currently rapidly changing circumstances in this sector. At the one hand the increasing liberalization of this sector implies an increasing number of companies in the field while (related) technological developments chance the relative importance, availability and quality of products which are offered on the market. The existing collection systems are often based on the assumption of one dominant supplier in the market and increasingly loose their relevance, urging for a review of the existing statistical systems.

The study of the Statistisches Bundesamt aims at defining a set of representative service products, the collecting of basic material for these products, the constitution of different possible indexes and related problems in the weighting and calculation of these indexes and the testing of these different indexes.

2.3 Business services

This study is executed by INSEE of France. In nature it is similar to the approach of the study conducted by the Netherlands. Prices are attempted to be followed on the basis of contracts representative for the services delivered.

This study will cover the following areas:

- Security services
 - Apart from solving a number of problems relating to treatment of changes in the contracts this study will result in a regular collect of data in 1994
- Building cleaning activities
 - In this sector a pilot survey will be conducted while particular attention will be paid to the relation between amounts in the contracts and the conditions laid down in these contracts.
- Market research
 - Particular attention in this sector for the problems related with the fact that a large share of the turnover in this sector relates to products which are not reproduced over time. As this limits the possibility to follow "real life" contracts over time recourse will probably have to be taken to hypothetical contracts to follow prices.
- Renting of automobiles
 - This sector is both interesting from a practical as from a theoretical point of view. First of all it concerns a sector involved in the renting of goods, on which as yet no experience exists. Moreover, the services are both delivered to enterprises as well as private households while the collection of data will likely be done both directly (as the collection of prices in a shop) and on the basis of contracts (as is the case for lot of business services).