

Progress report 2003 prepared by Statistics Denmark

Introduction – overall situation

Statistics Denmark was last year (end of 2002) confronted with an expected, substantial reduction of its budget. However, as a result of political negotiations Statistics Denmark received an extraordinary budgetary grant earmarked for a number of statistical domains for the period 2003-2006. For Services sector statistics this implied that we will include in our surveys regular questions about exports of ICT-services and other knowledge-based services. Another result was that a new survey about ICT investment and expenditure will be launched - initially as a pilot later as part of our ICT usage surveys (enterprises and public sector). Finally, it was decided to include the annual survey about ICT usage in the enterprises as a permanent part of the national statistical program (earlier financed by the Ministry of Science, Technology and Development and Eurostat).

During 2003 an assessment and analysis of the budgetary situation of Statistics Denmark has been conducted. Recently, the results were published and the main conclusions were:

1. a new Balance of Payments statistical system will be financed.
2. the existing working routines and procedures shall over the coming years be further digitalized particularly aiming at a reduction of the burden on businesses.
3. the existing production of statistics shall be maintained.

This means that the future increase of the overall budget is earmarked for activities 1 and 2. New statistics can only be introduced by re-prioritizing, or if financed by external sources e.g. the Ministry of Science.

A general, annual productivity increase of 2% is additionally applied.

For the year 2004 the division responsible for services sector statistics will operate under an increased budget of approximately 4% net.

1. Producer prices indices in services

Statistics Denmark has no production in this area and no plans for a national development. We shall closely follow the Eurostat initiatives in this field.

2. Classification of service activities and products

1. In preparation of the 2007 revision of ISIC, CPC – NACE, CPA we have started the consultation process at Statistics Denmark and the work is coordinated by the colleagues in the enterprise statistics division. Regular meetings have been organised and a consolidated response will be provided during the autumn.

2. The increased focus on the services sector and its products implies the need for more detailed and precise information on the products supplied by this sector. During the past years data has been collected for different statistical purposes, such as product statistics for the services sector and statistics on manufacturing industries' purchase of products and services. Both sets of data are used as background information for the National Accounts. More detailed data collection is foreseen, i.e. in relation to the demand for services survey, cf. 4d below.

The breakdown of services used for these surveys has reflected the needs behind the individual surveys, however, resulting in two problems. On the one hand we have data which is not overall comparable. On the other hand we see the use of different terminology, concepts and breakdowns in surveys aimed at the same group of respondents thus creating possible confusion.

We have therefore established an internal working group with the objective of preparing a draft for a coherent services' classification to be used generally. The work of this group has its starting point in the CPA classification, and will analyse if the CPA can be used directly as a common reference frame and/or if further breakdown is needed in order to cover national statistical purposes. The group is expected to present a first recommendation by the end of 2003.

3. An area of special attention is the definition and collection of data regarding 'content'-products as software, games etc. No separate identification of these items is found in the Harmonised System, Prodcom or CPA – and indeed there need not be a physical product present in the form of a CD or a diskette, as software can be e-mailed or downloaded, thus making it extremely difficult to measure the number of software items sold. A further complication for statistics arises from the fact that software and games can be upgraded, i.e. as an integrated part of the purchase of the original product.

3. Information Society Statistics

This area has been the focus area for Statistics Denmark in the last years. We have a framework contract with the Ministry of Science, Technology and Development enabling us to develop the statistical coverage of this item. The enterprise survey will be financed through the annual statistical program from 2003, cf. Introduction above.

In 2001 a strategy for future statistics on the networking society and the knowledge-based economy was adopted. It had been prepared in close collaboration with other governmental bodies and is still used as an important reference frame for the overall orientation of the work including priority setting.

Since 1998, Statistics Denmark has been carrying out an annual survey of the use of ICT in enterprises. Since 2001 a quarterly survey on ICT usage in households and by individuals (since 2003 this survey is semi-annual). An annual survey on ICT usage in the public sector since 2001 has been conducted—starting with municipalities and in 2002 also comprising governmental institutions and institutions at county level.

In 2001, Statistics Denmark carried out an ad hoc survey on the usage of ICT by immigrants and refugees using a slightly redesigned household model questionnaire.

From the 3rd quarter 2002, Statistics Denmark has added a special module on ICT security to the household questionnaire. A special module on ICT security was included in the 2002 enterprise survey and results have been published.

Since 3rd quarter 2002, Statistics Denmark has added extra questions in the business climate survey of the services sector about lack of ICT qualified staff. Results have been poor and their publication seems therefore doubtful.

From 2003 we include questions about enterprises' export of ICT services and other knowledge-based services, as part of our product statistics surveys. The results are expected by the end of October 2003. A similar analysis of imports of services is not planned, cf. also below 4b. Sales by services products.

A new survey is being prepared about ICT investment and expenditures. A pilot survey will be carried out in 2004 and based on the experiences and results from the pilot a regular, annual survey is planned for 2005 and onwards.

Since 2000 Statistics Denmark has been producing an annual publication on the Danish Information Society including not only the usage dimension but also the supply dimension covering the ICT sector, ICT products and foreign trade with ICT products. The publication also contains detailed tables on the work force by identifying ICT related occupations and educations. The latest edition – the ICT status of 2003 – was published last month. Currently, it is only available in Danish, but an English translation is being prepared.

Statistics Denmark and the other Nordic countries have a longstanding and close cooperation and produced a common publication on the Nordic Information Society in the autumn of 2002. Another project was a methodological project regarding a model survey for ICT usage in the public sector. This work was chaired by Denmark.

We have contributed with substantial data and analysis to two publications prepared in 2003 by the Ministry of Science, Technology and Development. One was the report regarding the Government's growth strategy, the other an analysis of the Danish ICT business sector – a sector creating added value and growth.

In close cooperation with the Ministry of Science etc. Statistics Denmark is continuing the efforts to develop and integrate the indicators of the eEurope 2005 action plan now adopted by the Council of the EU. A review of the indicators is currently coordinated among the various governmental institutions involved.

Statistics Denmark is coordinating and chairing an action line on Indicators for the Information Society in the Northern e-Dimension Action Plan involving the 5 Nordic countries, 3 Baltic states, Germany, Poland and Northwest Russia. As a first concrete result we published the results of the indicator survey in "Indicators for the Information Society in the Baltic Region" in June 2003.

Statistics Denmark is also active in other international projects in particular regarding transfer of know-how, and ICT statistics is among the subjects in high demand.

Recently, we have published new results regarding ICT and productivity. The enterprises participating in the 1998 survey were divided into 4 subgroups depending on how advanced their ICT application was (phase approach). Enterprises with simple application were assigned to group 1 while highly advanced application would be referred to group 4.

In groups 1-3 the results showed increased productivity while in group 4 decreasing productivity was found. The latter could be explained by the fact that highly advanced technology takes more time to introduce – its pay off period is simply longer. We will continue the studies which have been undertaken by colleagues in the Ministry of Economic and Business affairs.

4. Ad hoc issues

4a. Non-profit institutions

Statistics Denmark has conducted no special surveys within this theme.

4b. Sales by services products (measurement of turnover of detailed products)

Statistics Denmark has since 1995 been carrying out surveys on measurement of turnover by detailed products for selected activities within the business services sector. Annual statistics has been carried out on computer services, engineering services and labour recruitment and provision of personnel. Every 3 years the survey has additionally covered cleaning activities as well. In 2001 and 2002, Statistics Denmark has taken part in Eurostat's project on Business Services also including detailed product breakdown for other business services such as advertising and marketing, accounting and auditing, enterprise consultancies, agencies for opinion polls and market analysis. The results of the 2003 survey are expected by the end of October 2003. In 2004 we expect to include legal activities, technical testing and analysis and adult and other education.

4c. Short term indicators

Concerning short term indicators the statistics are mainly based on administrative sources, except the business climate survey started as a monthly survey in 2001. The retail trade index is conducted every second month as a survey covering a two month period.

4d. Miscellaneous

Statistics Denmark participates in the Eurostat survey about inter-enterprise relations. We have in 2002 concluded a pilot survey. A full-size survey has just been launched and the results are expected by the end of 2003.

Concerning demand for services, Statistics Denmark shall participate in the Eurostat survey covering this issue, and the work will probably start by the end of 2003.

During 2003 Statistics Denmark has developed statistics about entrepreneurs, i.e. new enterprises. The innovation and growth potential of such enterprises is important to study, and furthermore it is essential to determine the factors of success. What is it that contributes to enterprise survival. The work has been carried out in close collaboration with the Business and Dwelling Agency, who is responsible for the political initiatives in this field. The results have been reported in various publications during 2003 including a summary in our own "Statistical 10 year review, 2003".

Recently the Danish Ministry of Culture has taken the initiative to review/reconsider the cultural statistics, regarding existing data collection as well as future needs for statistical information/indicators. Cultural statistics comprises a central part in the description of our leisure time society. At the same time the cultural business sector is an important element among the service sectors' branches and businesses for instance facilitating other sectors, i.e. tourism.

Within this framework it should also be considered which institutions are to collect data in the future. Statistics Denmark participates in this work and it gives us an excellent opportunity to have a broad view on the national production of cultural statistics, which currently is highly decentralized.