SESSION ON IT INDUSTRIES
TURNOVER/OUTPUT IN FRANCE
INSEE – VOORBURG GROUP 2007

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September 2007
DEFINITION OF SERVICE BEING COLLECTED

Moving towards new classifications for IT Industries
- 72 (ISICRev. 3) > 62 (ISIC Rev. 4)
- Computer and related industries > IT and computer services

Some well-defined services:
- mainly consultancy, engineering and maintenance
- but often combined in a mix service...
> Annual accounting turnover in Euros

> Collected through Annual survey of businesses
  - sampling survey: 5200 units with sampling rates from 40 to 1
  - questionnaire asking for a breakdown of turnover according to 62 items
    - IT services (43)
    - Other industries (19)
MARKET CONDITIONS in France
(for IT services in the wide sense : ISIC Rev.3 72)

› A market that is growing strongly
  - 2006 : + 6.2 % in volume, +0.6 % for prices

› Sector :
  - 44,000 enterprises
  - 368,000 employees
  - €50 billion of turnover in 2005
  - Heterogeneous industry
    - Major computer manufacturers
    - Consultancy firms
    - Computer engineering services companies
  - Problem of captives units (1/4 of turnover)

› Important professional association: Syntec-Informatique
  - Regular meetings for validation of classifications and prices indices
European CPA (Classification of Products by Activity)

- Nowadays: 22 items for IT industries (in the wider sense)
- In the future: 11 items for IT industries (in the restricted sense)

- 62.01.11 IT design and development services for applications
- 62.01.12 IT design and development services for networks and systems
- 62.01.21 Computer games software originals
- 62.01.29 Other software originals
- 62.02.10 Hardware consultancy services
- 62.02.20 Systems and software consultancy services
- 62.02.30 IT technical support services
- 62.03.11 Network management services
- 62.03.12 Computer systems management services
- 62.09.10 Installation services of computers and peripheral equipment
- 62.09.20 Other information technology and computer services n.e.c.
STANDARD CLASSIFICATION STRUCTURE AND PRODUCT DETAIL / LEVELS

Collection classification much more detailed and with an activity-based approach:

- IT activities (43 items)
  - Consultancy (2)
  - Engineering (6)
  - Creation of standard software (8)
  - Outsourcing (5)
  - Data processing (3)
  - On-line publishing, development of databanks, and web portals (17)
  - Other IT services (2)

- Other activities: wholesale of computers, management consultancy, …. (19 items)
Collection classification in accordance with the development of businesses and markets

Main results for 2005:

- Consultancy-engineering (6202): € 29 billion
  - of which outsourcing: € 2.9 billion
- Technical support (6201): € 3.4 billion
- Other IT services (6209): € 0.1 billion
NATIONAL ACCOUNTS AND MEASUREMENT ISSUES

Nowadays 5 SUPPLY and USE EQUATIONS for the whole branch 72

- Main source: Annual survey of businesses
- Production: 64 billion € in 2006
- SPPI used for deflation since 2002 instead of wage cost
  - Productivity rising from -0.5% to +4.1% over 2002-2004
EVALUATION OF COMPARABILITY OF TURNOVER/OUTPUT DATA

- 43 Product lines for turnover for IT services
  - Consultancy
  - Engineering
  - Outsourcing...

- 6 SPPI:
  - Consultancy, system integration and technical assistance
  - Software publishing
  - Outsourcing
  - Data Processing
  - Database activities
  - Maintenance and repair
CONCLUSIONS

- Moving towards new classifications in line with ISIC Rev 4 will be an improvement in 2008
- A much more detailed collection classification carried out in accordance with professional organization (43>22)
- 6 SPPI available for national accounts levels
- Some remaining questions:
  - How to deal with captive units?
  - How can we ensure more sensitive breakdown of comprehensive services?
  - Is international outsourcing a problem?
  - How to deal with production of original software on its own account?