

Revisited Sector Paper  
ISIC / NACE 80  
Security and Investigation  
Activities

24<sup>th</sup> Meeting of the Voorburg Group

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# History for Security/Investigation

- 1992 – INSEE report on test price indices
- 2004 – Reports on SPPI from Finland
- 2005 – Reports on SPPI from Israel, Japan and the US;  
resulted in a summary presentation on SPPI for S&I from Finland

# Survey for this paper

- 11 of 13 countries calculate SPPI,
- 7 of 13 publish SPPI
- 11 of 13 countries calculate and publish turnover data
- 2 of 13 countries do not collect data for this sector

# Classification - Industry

<b>NACE 2 / ISIC 4</b>	<b>NAICS US/Canada</b>
801 Private security services	56161 Investigation, guard and armored car services
803 Investigation services	
802 Security systems services	56162 Security systems services

# Classification - Products

<b>CPA 2008</b>	<b>CPC 2.0</b>	<b>Description</b>
80.10.11	8524	Armored car services
80.10.12	8525	Guard services
80.10.19	8529	Other security services
—	8522	Security consulting serv.
80.20.10	8523	Security system services
80.30.10	8521	Investigation services

# Turnover Statistics

## Main data source:

- Most countries use a survey
- One country uses census data
- Some a combination of survey and administrative data
- One country uses administrative data

# Turnover Statistics

Major challenges identified by the survey:

- Quality problems of the business registers

# SPPI – Sample

- The business register is used as sample frame
- Most popular is PPS sampling
- the criterion: turnover or number of employee
- sometimes combined with a cut-off criteria
- Cut-off sampling when the industry is highly centralized

# SPPI

## Pricing mechanism

long-term contracts tailored to customer needs and specifying the content, duration and price of the service are typical in that industry.

## Customers

The industry's main customers are business and the public sector

# SPPI – Main Pricing Method

Contract pricing is the main method

In Finland, Japan, USA, Spain, Germany, UK, Sweden, the Czech Republic and Israel

main price determining characteristics

- Type of service
- Customer
- Location
- Guard type and professional level
- Time when the service is provided

# SPPI – Other Pricing Methods

- **Model pricing** - by identifying the object, the activities, time of the day and total time. Used in 3 countries out of 11 (in Austria and Netherlands the main method)
- **Time-based methods** - the staff is divided into different categories according to kind of guard, level of experience and skills. Typical categories: unarmed guard, armed guard, bodyguard, security guard etc. used in 3 countries (in one country as the main method).
- **Direct pricing for repeated services** - for armored car, investigation and guard security.

# SPPI –Pricing Methods

method	example	Sub-group
contract	Uniformed guards mobile site customer x 2 visits per night 7 days a week price per week	Security guard
Model pricing	Security of building A, Object: 2 exits, 20 people working Activities: opening & closing rounds Time: 7:00-19:00 Total price	Security of building
Time-based	Average price per hour for bodyguard	Security guard
Direct price	Investigation for private customer for one tracking	investigation

# SPPI – Quality Adjustments

## Implicit method

- Overlap

## Explicit methods

- Expert judgment
- Quantity adjustment
- Differences in production costs

# Progress Report

## Results of progress report inquiry

ISIC/NACE	SPPI	TURNOVER
8010 – PRIVATE SECURITY SERVICES	15	16
8020 – SECURITY SYSTEMS SERVICES	12	16
8030 – INVESTIGATION	7	15

# Summary

- The different classifications focuses on three primary groups: private security services, security systems services and investigation.
- Most countries uses survey data for turnover, some a combination of survey and administrative data
- Quality problems of the business register is a major challenge in developing turnover statistics
- The main pricing method is contract pricing
- Maintaining constant quality is an ongoing challenge

# Thanks

# Questions?