Sector paper

Accommodation & Food Services sector

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Contents

• Sources
• Overview of sector
• Classifications
  – Industry
  – Product
• Turnover
• Prices
• Summary of main issues
Sources

• Mini-presentations from Vienna 2010
  – Sweden, Finland, Mexico, Japan, Ireland
• Discussion at VG 2010
• Country Progress Reports
• Ad hoc survey on SPPI
• Previous VG papers
Overview of sector

- Large employer
  - Casual, part-time labour
- High number of SMEs
- Easy to set-up business in the sector
- Close links with tourism economy
- Most output from the sector goes to final demand
- Bundled products
55. Accommodation

- 551 Short-term accommodation
- 552 Camping grounds, RVPs and trailer parks
- 559 Other accommodation

56. Food & beverage services

- 561 Restaurants and mobile food service activities
- 562 Event catering and other food service activities
  - 5621 Event catering
  - 5629 Other food service activity
- 563 Beverage service activities

Immediate consumption
Industry classifications

Nace Rev.2
- Similar structure to ISIC
- More detail on short-term accommodation
- Some EU countries derive more detailed version for national uses

Naics 2007
- Similar structure to ISIC
- More detail on accommodation and food services

JSIC Rev.12
- Similar structure to ISIC
- Much more detail on accommodation and food & beverage services
Product classifications

**CPC v.2**
- Industry-of-origin based
- Items defined using criteria of the units providing the service
  e.g. 63310 Meal serving services with full restaurant services

**CPA 2008**
- Industry-of-origin based
- Slightly more detailed than CPC v.2

**NAPCS 2007**
- Uses characteristics of the service being exchanged as its basis
  => greater product coverage
Turnover

Annual Structural Statistics
- Very good availability of industry data
- Census / survey
- Administrative data

Short-term statistics
- Low availability of detailed data
- Survey
- Administrative data

Product statistics
- Low availability
- Survey

Other output measures
- Tourism statistics (e.g. hotel bednights)

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Turnover - issues

• Importance of product information

• Distribution of total turnover in hotels in Ireland by service activity, 2007
Turnover - issues

Measurement problems

• Sampling / register difficulties
  – small enterprises
  – low barriers to entry & exit

Data issues

• Seasonality

• High levels of casual/part-time work
  => challenge to compile productivity measures
## Turnover - recommendations

<table>
<thead>
<tr>
<th>Category</th>
<th>Data Source</th>
<th>Level of Detail Collected</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best</td>
<td>Survey/Census</td>
<td>Industry turnover and product</td>
<td>Annual &amp; sub-annual industry data</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Annual product data</td>
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<tr>
<td>Good</td>
<td>Survey/Census and Administrative (tax data, industry association data etc.,)</td>
<td>Industry detail only</td>
<td>Annual</td>
</tr>
<tr>
<td>Minimum</td>
<td>Administrative (tax data, industry association data etc.,)</td>
<td>Industry detail only</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td>Tourism statistics (e.g. Hotel bednights)</td>
<td></td>
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</tbody>
</table>
Price statistics – SPPI producers

Accommodation

Food & Beverages

Why so few SPPIs?

<table>
<thead>
<tr>
<th></th>
<th>CPI</th>
<th>No demand from users</th>
<th>No EU legislation</th>
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</thead>
<tbody>
<tr>
<td>Most output goes to household consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource constraints</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Price statistics

Sources
- Dedicated SPPI survey
- CPI
- Tourism statistics

Target coverage
- B2B or B2ALL

Sources of weights
- Input-Output
- Industry surveys
- Tourism statistics
Price Statistics

Pricing methods

Accommodation

Multiple sales channels
(e.g. direct, internet, travel agents etc.)
Fluctuating prices

Bundled products
Average room rate
Mixed room type
Reference dates

Food & beverage

Restaurants & food services
Event catering

Repeat service pricing
Contract pricing
Price Statistics – key issue

Use of CPI

- Need to adjust to basic prices (i.e. excl VAT etc.)

- Similar price changes for business and private consumers?

- Complement with additional data

Advantages

- National Accounts ‘A’ method for deflation of output if satisfied

- Cost effective

- Minimises respondent burden
## Price statistics - recommendations

<table>
<thead>
<tr>
<th>Category</th>
<th>Data Source</th>
<th>Quality &amp; accuracy</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best</td>
<td>SPPI Inquiry</td>
<td>Very good</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>CPI adjusted to basic prices</td>
<td>Very good if conditions met</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Complementary data required</td>
<td></td>
</tr>
<tr>
<td>Good</td>
<td>CPI</td>
<td>Adequate</td>
<td>Low</td>
</tr>
<tr>
<td>Minimum</td>
<td>Tourism statistics Accommodation: average room rate</td>
<td>Product bundling and issues B2B - B2C issues may reduce quality</td>
<td>Low</td>
</tr>
</tbody>
</table>
Summary

Classifications
• Harmonised but level of detail varies

Turnover / Output
• Good annual industry data
• Product & short-term industry not so good

Price
• Low availability of SPPI
• Use of CPI with caution

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