Turnover for Arts, Entertainment and Recreation Services in Japan

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1. Standard classification structure

Japan Standard Industrial Classification (JSIC) Rev.12

- **L** Scientific research, professional and technical services
  - 72 Professional services, n.e.c.
    - 727 729
      - Authors
      - Artists
  - 7271 7272
- **N** Living-related and personal services and amusement services
  - 79 Miscellaneous living-related and personal services
    - 799 801
      - Authors
      - Artists
  - 802 803
    - Cinemas
    - Performances
    - Race track operations (bicycle, horse, etc.)
  - 804 805
    - Sports facilities
    - Amusement parks
    - Amusement & recreation facilities
  - 806 809
    - Libraries
    - Museums
    - Zoos
- **O** Education, learning support
  - 82 Miscellaneous education, learning support
    - 821 8212 8213 8214
      - Libraries
      - Museums
      - Zoos
1. Standard classification structure

Characteristics of JSIC* rev.12 for Arts, Entertainment and Recreation services

- More detailed than ISIC
  JSIC: 43 classes vs. ISIC: 10 classes
- Including recreation classes unique to Japan
  e.g. 8062 “Go” (Japanese chess) parlors
  8064 “Pachinko” (Japanese pinball) parlors
  8095 “Karaoke” boxes

*JSIC: Japan Standard Industrial Classification
1. Standard classification structure

“Go”  “Pachinko”

Photo by Markus Koljonen, Wikimedia Commons  Photo by Michael Maggs, Wikimedia Commons
## 2. Surveys of Turnover

<table>
<thead>
<tr>
<th></th>
<th><strong>Monthly Survey on Service industries</strong></th>
<th><strong>Economic Census for Business Activity</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency</strong></td>
<td>Monthly</td>
<td>Every 5 years</td>
</tr>
<tr>
<td><strong>First survey</strong></td>
<td>July, 2008</td>
<td>February, 2012</td>
</tr>
<tr>
<td><strong>Survey unit</strong></td>
<td>Establishment (whose primal industry is service)</td>
<td>Establishment &amp; enterprise (in all industries)</td>
</tr>
<tr>
<td><strong>Collected turnover</strong></td>
<td>Monthly amount per unit -Total</td>
<td>Annual amount per unit -Total -By business activity</td>
</tr>
<tr>
<td><strong>Released turnover</strong></td>
<td>Sample based estimates at 2 digit industry level</td>
<td>Not yet released</td>
</tr>
<tr>
<td></td>
<td>*some 3 digit for annual results</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-For Arts, Entertainments and Recreation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>80 Services for amusement and hobbies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>804 Sports facilities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>806 Amusement and recreation facilities</td>
<td></td>
</tr>
</tbody>
</table>
3. Market conditions

Number of establishments : 71,190

- **By industry**
  - 90% are “JSIC80 Services for amusement and hobbies”
    In particular, “JSIC806 Amusement and recreation facilities” is large
    e.g. “Mah-jong” clubs, “Pachinko” parlors, Game centers

- **By type of legal organization**
  - 90% are privately owned
  - However, public institutions account for higher rates in
    Library (90%), Gymnasium (73%), Museum (56%)

(Source: 2009 Economic Census for Business Frame by the SBJ)
3. Market conditions

Turnover for JSIC80*

- Annual: Decreasing

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover (Trillion yen)</th>
<th>Turnover (Billion U.S. dollars)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>26.8</td>
<td>345</td>
</tr>
<tr>
<td>2010</td>
<td>25.4</td>
<td>327</td>
</tr>
<tr>
<td>2011</td>
<td>22.7</td>
<td>293</td>
</tr>
</tbody>
</table>

**Approximate figures converted at 77.57 yen per U.S. dollar

*Among Arts, Entertainment and Recreation services, JSIC80 is the only 2-digit level industry whose turnover is released independently in the Monthly Survey on Service industries.

(Source: Monthly Survey on Service Industries by the SBJ)
3. Market conditions

Turnover for JSIC80

- Monthly: Influenced by holidays, horse/bike races

(Source: Monthly Survey on Service Industries by the SBJ)
3. Market conditions

Turnover for JSIC80

- By industry: JSIC806 is the largest

(Source: Monthly Survey on Service Industries by the SBJ)
3. Market conditions

Turnover for JSIC80

- JSIC806 is more productive than other industries

<table>
<thead>
<tr>
<th>Service Type</th>
<th>80</th>
<th>804</th>
<th>806</th>
<th>(Ref.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services for amusement and hobbies</td>
<td>300</td>
<td>400</td>
<td>Million yen</td>
<td>Service industry</td>
</tr>
<tr>
<td>Sports facilities</td>
<td>80</td>
<td>80</td>
<td>Per establishment</td>
<td>(Ref.)</td>
</tr>
<tr>
<td>Amusement and recreation facilities</td>
<td>500</td>
<td>600</td>
<td>Per person</td>
<td>Service industry</td>
</tr>
</tbody>
</table>

(Source: Monthly Survey on Service Industries by the SBJ)
4. Standard vs. market conditions

- JSIC is revised at some interval to reflect the change of industrial structure
  - Rev.12 has been used since November 2007

- Comparatively new businesses have no individual 4-digit class in JSIC yet
  - e.g. internet cafes, comic cafes (not providing foods and drinks mainly)
    --> contained in “8099 Amusement and recreation services, n.e.c.”
5. Turnover data methods

MSSI – Current methods and challenges

- Sample survey
  - Strata are made by industry, number of persons (& areas)
  - Industrial strata are made at 2-digit level*
    *some are 4-digit level; e.g. “8043 Golf courses”, “8064 Pachinko parlors”
  - Stratum “JSIC80” includes “JSIC803 Bicycle, horse, motorcar and motorboat race track operations and companies” which contains establishments with remarkably high turnover

--> Sample replacement may influence the results

<Image of sample for JSIC80>
5. Turnover data methods

MSSI – Current methods and challenges

- Turnover for public institutions
  - In principle, turnover measured in the MSSI:
    - sales/income for privately owned institutions
    - expense/budget for public institutions
  - Practically, public gymnasiums/museums which charge entrance fee may submit income as turnover

--> Entrance fees of public institutions are often cheaper than those of private institutions; this may have an impact on the results
5. Turnover data methods

MSSI – Future plan (since January 2013)

- Introduction of enterprise unit survey
- Unit for major enterprises and enterprises in particular industries* will be changed from establishment to enterprise
  *Including race track enterprises in “JSIC803” as enterprises in particular industries
- All target enterprises will be surveyed
- Turnover by business activity** of enterprises will be collected
  **Turnover of each of the top 4 service activities for each enterprises

--> To improve the accuracy of the results
5. Turnover data methods

MSSI – Future plan (since January 2013)

<table>
<thead>
<tr>
<th>Current methods</th>
<th>Future methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey unit</td>
<td>Enterprise</td>
</tr>
<tr>
<td>Survey type</td>
<td>Census</td>
</tr>
<tr>
<td>Target</td>
<td>Major enterprises/Enterprises in particular industries</td>
</tr>
<tr>
<td>Collected turnover</td>
<td>Total By business activity</td>
</tr>
</tbody>
</table>

*Parts written in bold type shows the changes from the current method.*
5. Turnover data methods

MSSI – Future plan (since January 2013)

- Introduction of annual survey
  - With larger sample than monthly survey
    --> To figure out the industrial turnover in more detail and the regional turnover
    --> To supplement the Economic Census conducted every 5 years
5. Turnover data methods

Economic Census for Business Activity

- 2012 Census collected turnover from all establishments/enterprises for Arts, Entertainment and Recreation services for the first time
- By collecting turnover by business activity, turnover information of service industry conducted as secondary activity is also captured for the first time
- Results will be used for a benchmark for turnover
  - Preliminary results: late January 2013
  - Final results: from third quarter of 2013
6. Comparability of turnover and price data

- Price data
  - Only CPI is available for Arts, Entertainment and Recreation services
  - Weight for CPI is household consumption expenditure
  - Product (item) basis

- Turnover data
  - Industrial basis

--> Turnover data and price data are not comparable
7. Summary

- JSIC has more detailed classes than ISIC
- Turnover is collected by monthly survey (MSSI) and census
- Turnover is currently released at 2-digit industry level by MSSI
- Survey method of MSSI will be changed in January 2013 to provide more accurate and detailed turnover information
- First Economic Census for Business Activity which captures turnover information was conducted in 2012; results will be used as a benchmark for turnover
Thank you!

Questions?