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# Turnover/Output for Specialized Design Activities in Canada

## 29th Voorburg Group Meeting

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Dublin, Ireland

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# Definition of the service (1)



- By industry - NAICS 2012
  
- 54 Professional, Scientific and Technical Services
  - 5414 Specialized Design Services
    - 54141 Interior Design Services
    - 54142 Industrial Design Services
    - 54143 Graphic Design Services
    - 54149 Other Specialized Design Services
  
- NAICS 5414 corresponds directly to Code 7410 in of ISIC Rev. 4.

# Survey program overview (1)



## *The Annual Survey of Service Industries: Specialized Design*

- *Revenue* is collected for the following items:
  - *Sales of goods and services*
  - *Grants, subsidies, donations and fundraising*
  - *Royalties, rights, licensing and franchise fees*
  - *Investment income (dividends and interest) excluding equity income from investments in subsidiaries or affiliates*

# Survey program overview (2)



## *The Annual Survey of Service Industries: Specialized Design*

- *Expenses* are collected for the following items:
  - *Salaries and wages*
  - *Employer portion of employee benefits*
  - *Commissions paid to non-employees*
  - *Professional and business services fees*
  - *Subcontract expenses*
  - *Cost of goods sold (purchases plus opening inventory minus closing inventory)*
  - *Etc.,,,,*

# Survey program overview (3)

## *The Annual Survey of Service Industries: Specialized Design*

*Respondents provide % of revenue originating from:*

- *Clients in Canada*
  - *Businesses*
  - *Individuals and households*
  - *Governments, not-for-profit organizations and public institutions*
- *Clients outside Canada*

# Survey program overview (4)

## *The Annual Survey of Service Industries: Specialized Design*

*Respondents provide value of international transactions.*

- *Exports of services out of Canada*
- *Imports of services into Canada*

# Market conditions (1)

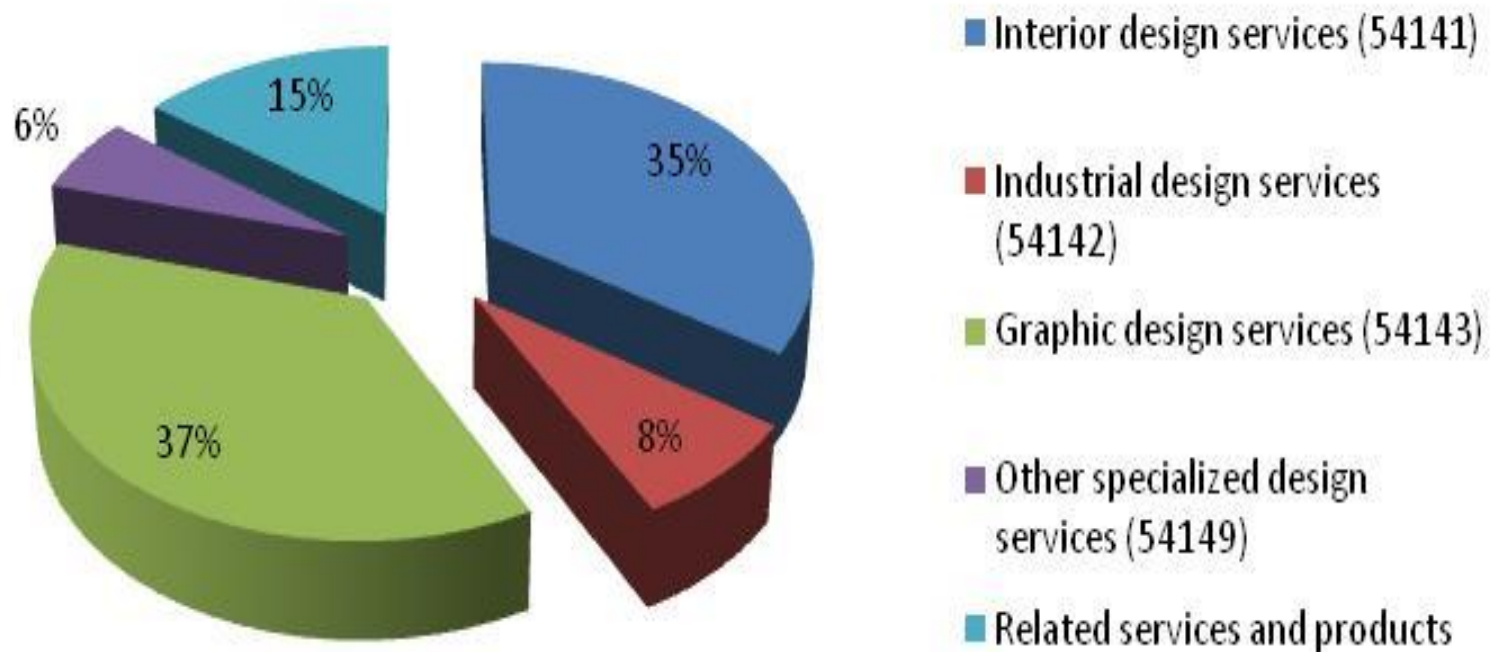


- Operating revenues (turnover) generated by businesses in the specialized design services industries was **\$2.9 billion** in 2012. .
- Since 2009, the industry has employed around 15,000 people on average throughout Canada.
- Labour intensive, requiring skilled and educated professional work force in each individual industry.
- Wages and salaries account for approximately 33% of total operating expenses.



# Market conditions (2)

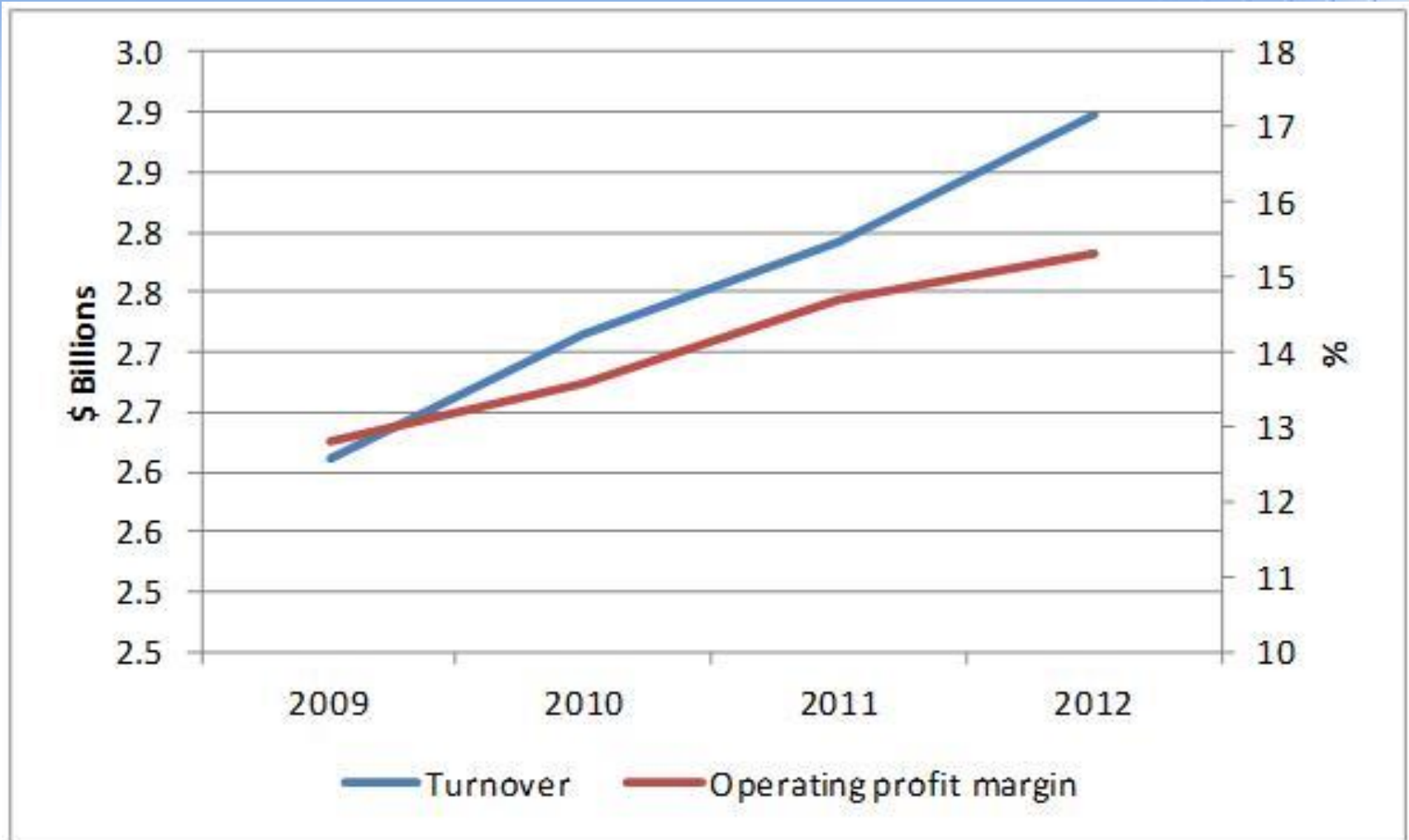
## Revenue breakdown by NAICS





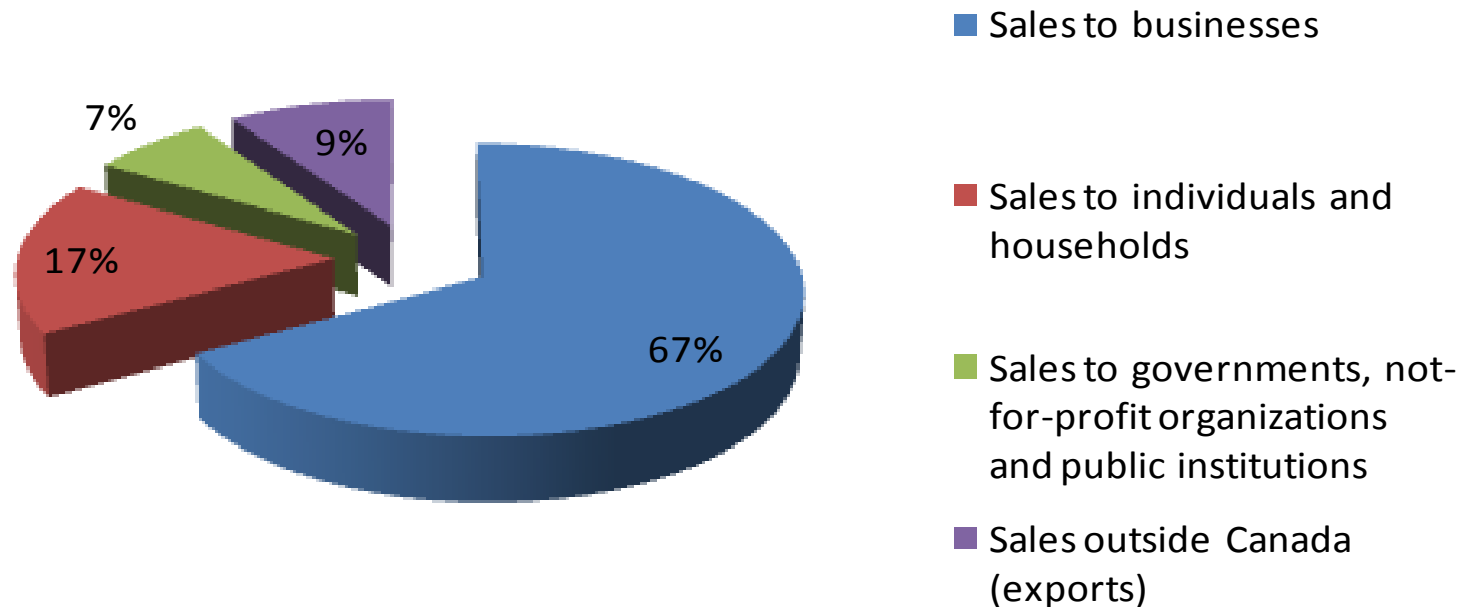
# Market Conditions (3)

## Turnover and Profit margin



# Market Conditions (3)

## Distribution of Turnover by Type of Client



# Special Conditions and Constraints (1)

- The industrial, graphic and interior design *product* is produced by more industries than just the specialized design. Examples include;
  - Manufacturing and engineering producing industrial design,
  - The architectural industry producing interior design products, and
  - Publishing and advertising industries producing graphic design product.
- Some large companies engaging in Specialized Design industry, but they do not drive the industry estimates. Small and medium firms do!

# Main Classifications (1)



- By industry - NAICS 2012
  
- 54 Professional, Scientific and Technical Services
  - 5414 Specialized Design Services
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    - 54143 Graphic Design Services
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# Main classifications – by product (2)

## 7-Digit North American Product Classification System (NAPCS) Canada 2012 - Version 1.1, Specialized Design Services

7731111 Residential interior design services (except historical restoration)

7731112 Non-residential interior design services (except historical restoration)

7731113 Historic building interior design services

7731114 Interior design services (except construction management services)

7731121 Interior decorating services

7731131 Product industrial design services

7731132 Model design and fabrication services

# Main classifications – by product (3)

## 7-Digit North American Product Classification System (NAPCS) Canada 2012 - Version 1.1, Specialized Design Services

7731141 Corporate identity and communications graphic design services

7731142 Advertising graphic design services

7731143 Commercial illustration services

7731144 Graphic interface and interaction design services

7731145 Broadcast and motion graphic design services

7731146 Book, magazine and newspaper graphic design services

7731147 Other graphic design services

7731151 Fashion, jewellery, footwear and other design services, not elsewhere classified

# Evaluation of standard definition and market conditions (1)



- *Interior design services* - businesses mainly engaged in planning, designing and administering projects in interior spaces to meet the physical and aesthetic needs of people.
- *Industrial design services* – these services include creating and developing designs and specifications that optimize the function, value and appearance of products.



# Evaluation of standard definition and market conditions (2)



- *Graphic design services* - covers the planning, designing and managing the production of visual communication, etc.,
- *Other specialized design services* – includes a variety of design services such as clothing and fashion design services, shoe design services, textile design etc.,

# GDP estimates – I/O tables by commodity

- Real value added by industry is derived by taking the difference between the industry gross output and the sum of industry intermediate inputs in constant prices.
- Deflated industry output is the summation of deflated output by commodity, and deflated industry input is the summation of deflated input by commodity.
- The *double deflation method* is applied to derive the constant price value added for *Specialized Design Services industry*.
- The major output commodity, Specialized Design Services of the industry is deflated using Average Weekly Earnings from the Survey of Employment Payrolls and Hours (SEPH) because there is no SPPI for the Specialized Design Services industry.

# GDP estimates – monthly, by industry



- Projections for monthly GDP by industry are undertaken directly in volume (real) terms using employment data from SEPH. This is the case for many service industries for which there is no other sub-annual information.

# Turnover/output data method(s)



- The entire turnover survey is part of a new Integrated Business Statistics Program (IBSP) framework that is being implemented in Statistics Canada beginning with reference year 2013.
- The IBSP framework includes a common Business Register as the frame for all business surveys; a tax data universe for the estimation of financial information; electronic data collection as the principal mode of collection; and a common editing strategy for automated and manual editing.

# Comparability of turnover/output data with price indexes



- No current SPPI for *Specialized Design activities*

# Questions?

