



**29th Voorburg Group Meeting on Services Statistics
Dublin**

**Cross Cutting Topics – Part 1
CPI use in PPI context**

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- I. Definition and scope of SPPIs;**
- II. European STS-SPPI coverage;**
- III. Use of CPI / HICP data as proxies for SPPIs;**
- IV. Examples.**

I. Definition and scope of SPPIs

Current European legislation

STS Regulation (1158/2005/EK)

Variable: 310 Output prices for services (SPPIs)

show the price development for services delivered to customers that are enterprises or persons representing enterprises. (B2B)

Domestic and non-domestic services are monitored (according to the destination of the product).

Planned future legislation in European Union

Framework Regulation for the Integration of Business Statistics (FRIBS/STS-package)

SPPIs as deflators for the total Turnover/Output (B2All)

II. European STS-SPPI coverage

Current STS coverage, SPPIs (B2B, B2C, B2All)

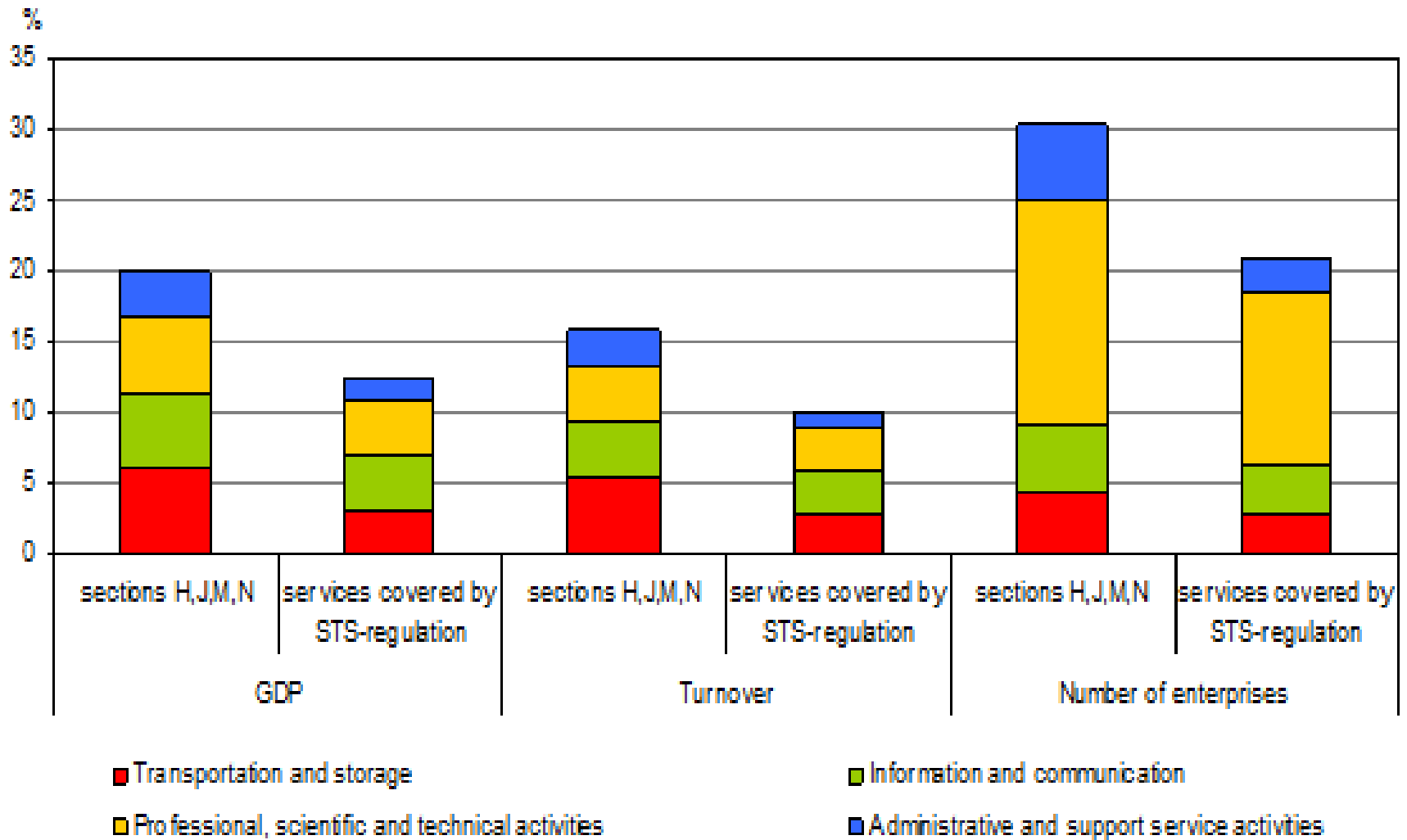
Related industries (NACE Rev. 2)

- ✓ **H** - Transportation and storage
- ✓ **J** - Information and communication
- ✓ **M** - Professional, scientific and technical activities
- ✓ **N** - Administrative and support service activities

Note:

Above mentioned industries are not fully covered by SPPIs

STS-SPP coverage in Hungary, 2011



III. Use of CPI / HICP data as proxies

CPI / HICP as proxies (for B2C, then B2All SPPIs)

Potential areas (for current STS coverage)

- 1) H** - Sea and coastal transport (50.1+2)
- 2) H** - Air passenger transport (51)
- 3) H** - Post and courier activities (53)
- 4) J** - Telecommunications (61)
- 5) M** - Legal services
(including in the sum of 69.1+69.2+70.2)

III. Use of CPI / HICP data as proxies

How to use CPIs/HICPs as proxies for SPPIs?

- ✓ **Exclusively**
for B2All SPPI;
- ✓ **Conjointly** with B2B SPPI
for B2C SPPI.

B2All ~ a weighted average of B2B and B2C SPPIs
(weights: Turnover/Output share
of the B2B and B2C markets)

SPPI Guide, draft

- ✓ **Use of CPIs as proxies** can be considered as **special case of „direct use of prices of repeated services”**
- ✓ **Needs to adjust** CPI / HICP data
(valuated at purchasers' prices, to basic prices)
- ✓ **Needs to asum that prices for businesses and households move in a similar trend**
with a similar composition of consumption.

HICP (Harmonised Indices of Consumer Prices)

***HICP data**, including back-data, is revisable under the terms set in Commission Regulation (EC) No 1921/2001.*

- ✓ ***Housing;***
- ✓ ***Health;***
- ✓ ***Transport;***
- ✓ ***Communication;***
- ✓ ***Recreation and culture;***
- ✓ ***Education;***
- ✓ ***Hotels and restaurants;***
- ✓ ***Miscellaneous (e.g. Finance and Assurance).***

Differences could be observed concerning the next issues:

- ✓ Overall methodology used;
- ✓ Classification (NACE / COICOP);
- ✓ Periodicity (Quarterly, monthly);
- ✓ Prices observed (output(basic) prices / consumer prices);
- ✓ Questions on industry- or product-based type of the volume indicator;
- ✓ Questions on domestic/non-domestic share of the markets;
- ✓ Questions on methodology to be used: industry-specific or other approach?
- ✓ Questions on approaches to be followed: Mixed approach (combination of B-B with B-C or with other deflators) or separately using of CPI's or other deflators?

Main challenges

Use of appropriate **CPI's/HICP-CT** (at constant tax) **as proxies for SPPI's** (for which areas, questions on coverage)

Conjointly use of CPI / HICP with SPPIs

- ✓ How to produce B2All SPPIs?
- ✓ How to identify B2B and C2C markets?
- ✓ What is the turnover share between the business and households consumption?
- ✓ How to estimate export?

Actually Hungary and most of European countries produce basically **B2B** SPPIs (current STS-requirements on SPPIs).

In Hungary, however, **B2All** SPPIs are also calculated and published for 3 and **published for 2 areas**

*(passenger air transport, **postal activities** and **telecommunication**).*

Estimated Turnover share between B2B and B2C

Compilation of B2All indices in Hungary

Mixed approach: conjointly use of CPIs/HICPT with B2B SPPI by aggregation of the SPPI an HICP-CT (Q1/2012-)

Example:

The estimated turnover share for B2B and B2C markets

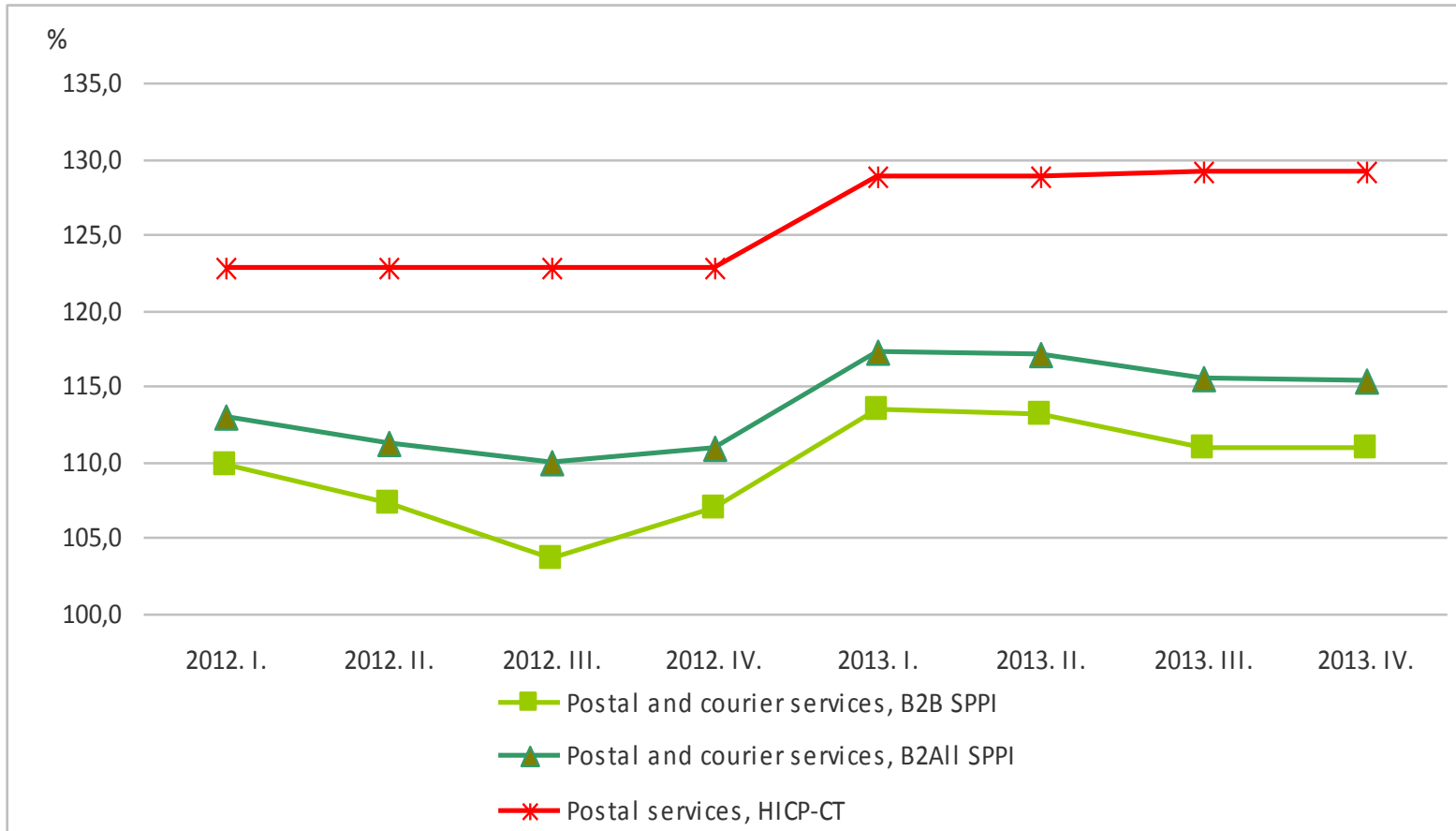
Hungary, Total Turnover=100%

CPA 2008	Name	Estimated Turnover share	
		B2B	B2C
H51	<i>Passenger air transport</i>	20	80
H53	<i>Postal activities</i>	75	25
J61	<i>Telecommunication</i>	35	65

Example

Quarterly B2All SPPIs for Postal activities (H53)

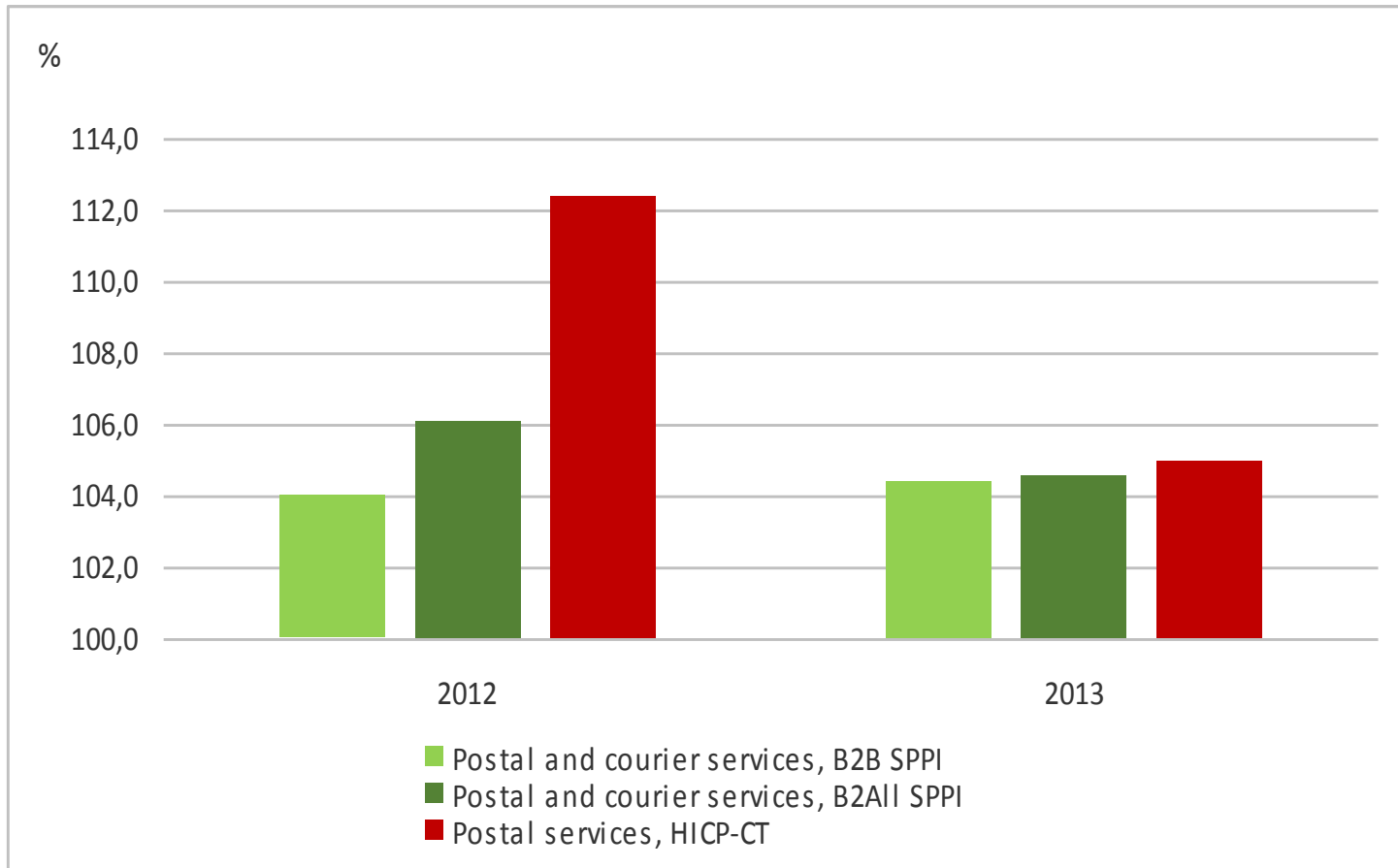
2010=100





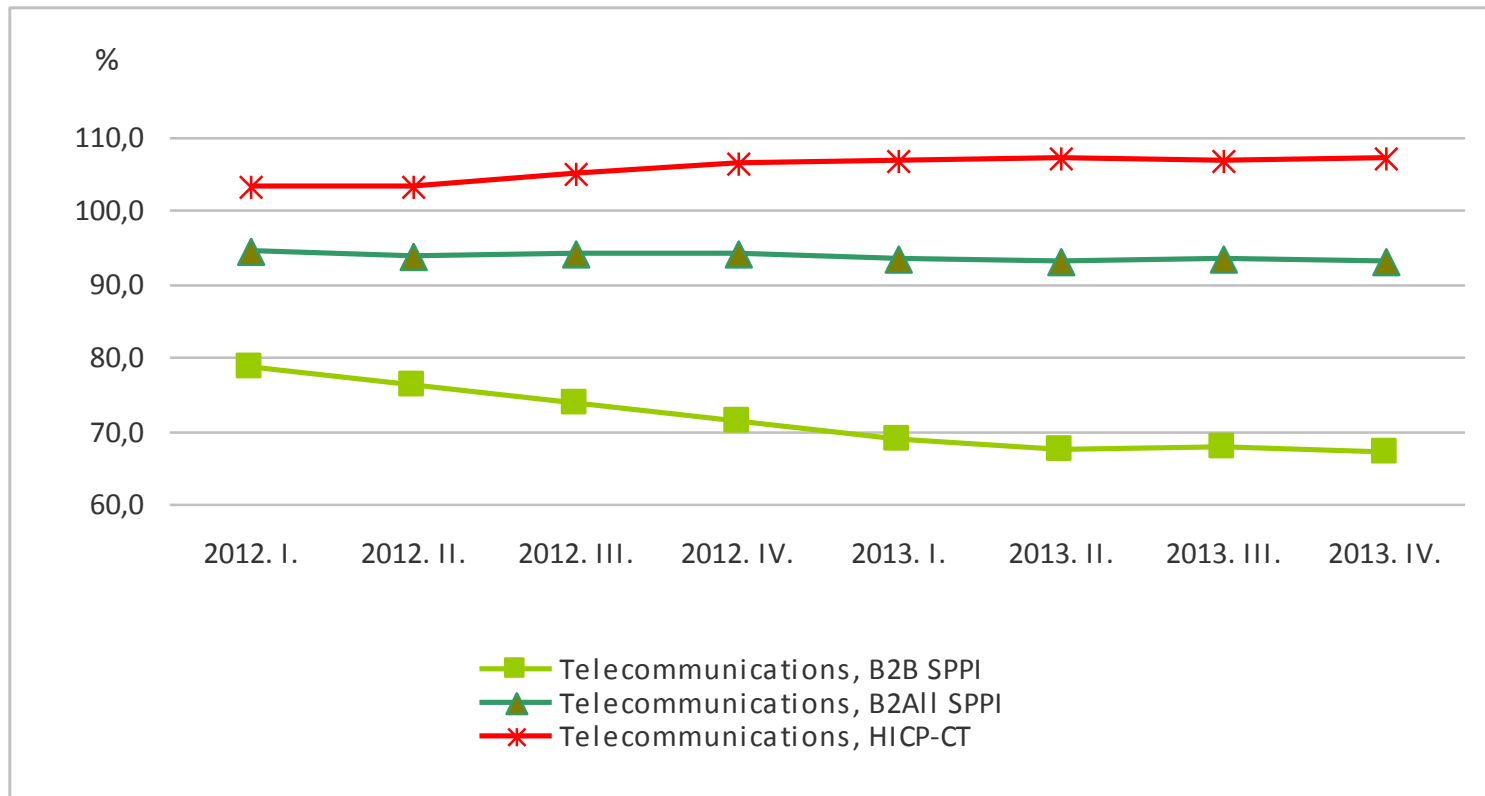
Example

Yearly B2All SPPIs for Postal activities (H53) previous year=100

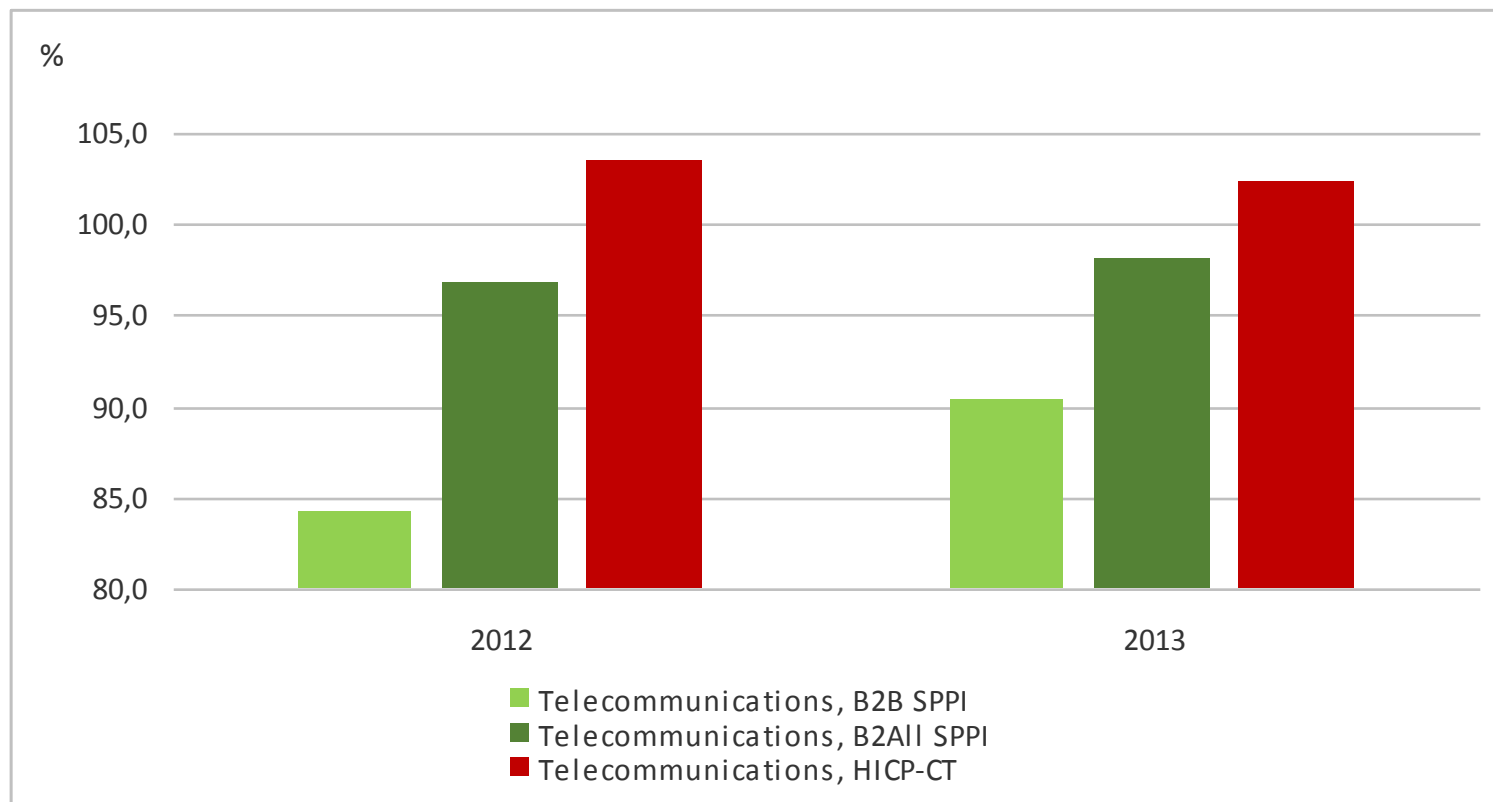


Example

Quarterly B2All SPPIs for Telecommunication (J61) 2010=100



Example
Yearly B2All SPPIs for
Telecommunication (J61)
previous year=100



Correspondence table between CPA 2008 - COICOP 1999

CPA 2008: H49

(with limited coverage)

CPA 2008	Name of the service	COICOP 1999	Name of the service	B2B			B2C			B2All				
				SPPI	CPI	B2All	SPPI	CPI	B2All	SPPI	CPI	B2All	B2B + B2C	
H49	Land transport services and transport services via pipelines			√				√						√
4910	Passenger rail transport services, interurban	07.3.1	Passenger transport by railway		√			√			√			
4920	Freight rail transport services			√			√			√				
4931	Urban and suburban passenger land transport services	07.3.1	Passenger transport by railway		√			√			√			
		07.3.2	Passenger transport by road											
4932	Taxi operation services	07.3.2	Passenger transport by road		√			√			√			
4939	Other passenger land transport services n.e.c.	07.3.2	Passenger transport by road		√			√			√			
4941	Freight transport services by road			√			√			√				
4942	Removal services			√			√			√				
4950	Transport services via pipeline			√			√			√				

Correspondence table between CPA 2008 - COICOP 1999

CPA 2008: L68

(with limited coverage)

CPA 2008	Name of the service	COICOP 1999	Name of the service	B2B			B2C			B2All			
				SPPI	CPI	B2All	SPPI	CPI	B2All	SPPI	CPI	B2All	B2B + B2C
68	Real estate services			√				√					√
6810	Buying and selling services of own real estate	12.7.0	Other services i.e.	√				√	■				√
6820	Rental and operating services of own or leased real estate	04.1.1	Actual rentals paid by tenants										
		04.1.2	Other actual rentals										
		09.2.3	Maintenance and repair of other main durables for recreation and culture	√	■	■		√	■				√
		11.2.0	Accommodation services										
		04.2.4	Other services relating to the dwelling n.e.c.										
6831	Real estate agency services on a fee or contract basis			√						√			
6832	Management services of real estate on a fee or contract basis			√						√			

Correspondence table between CPA 2008 - COICOP 1999

CPA 2008: M74

(with limited coverage)

CPA 2008	Name of the service	COICOP 1999	Name of the service	B2B			B2C			B2All				
				SPPI	CPI	B2All	SPPI	CPI	B2All	SPPI	CPI	B2All	B2B + B2C	
M74	Other professional, scientific and technical services													√
7410	Specialized design services	04.3.2	Services for the maintenance and repair of the dwelling	√			√			√				
7420	Photographic services	09.4.2	Cultural services	√				√						√
7430	Translation and interpretation services	12.7.0	Other services n.e.c.	√			√			√				
7490	Other professional, scientific and technical services n.e.c.	12.7.0	Other services n.e.c.	√			√			√				

CPA 2008	Name of the service	COIC OP 1999	Name of the service	B2B			B2C			B2All				
				SPP1	CPI	B2All	SPP1	CPI	B2All	SPP1	CPI	B2All	B2B + B2C	
N77	Rental and leasing services			√				√						√
7711	Rental and leasing services of cars and light motor vehicles	07.2.4	Other services in respect of personal transport equipment	√				√						√
		09.4.1	Recreational and sporting services											
7712	Rental and leasing services of trucks	07.2.4	Other services in respect of personal transport equipment	√						√				
7721	Rental and leasing services of recreational and sports goods													
7722	Rental services of video tapes and disks	09.4.2	Cultural services											
7729	Rental and leasing services of other personal and household goods	03.1.4	Cleaning, repair and hire of clothing											
		03.2.2	Repair and hire o footwear											
		05.5.1	Major tools and equipment											
		05.5.2	Domestic services and household services											
		06.2.3	Paramedical services											
		09.4.1	Recreational and sporting services											
		09.4.2	Cultural services											
7731	Rental and leasing services of agricultural machinery and equipment			√						√				
7732	Rental and leasing services of construction and civil engineering machinery and equipment			√						√				
7733	Rental and leasing services of office machinery and equipment (including computers)	09.1.3	Information processing equipment											
7734	Rental and leasing services of water transport equipment	09.4.1	Recreational and sporting services											
7735	Rental and leasing services of air transport equipment	09.4.1	Recreational and sporting services											
7739	Rental and leasing services of other machinery, equipment and tangible goods n.e.c.	07.2.4	Other services in respect of personal transport equipment	√						√				
		09.4.1	Recreational and sporting services											
7740	Licensing services for the right to use intellectual property and similar products, except copyrighted works			√						√				

Thank you for attention!

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