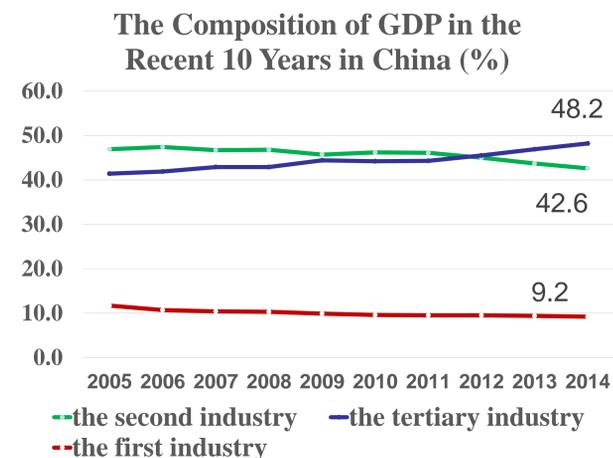


Abstract

As we all know, the tertiary industry develops very fast in China in recent years. According to the newly released yearly data, the tertiary industry has exceeded the second industry in the proportion of GDP since 2012. And for the first half of 2015, the tertiary industry increases by 8.4% over the same period last year while the growth rate of GDP is 7.0%. The tertiary industry has become the most important pillar of China's economy. In order to monitor the overall monthly development of tertiary industry in China, the National Bureau of Statistics of China determined to start the research work of ISP and SPPI in 2013. We has conducted a lot of research and calculations during the past two years. In 2015, we started the compilation of SPPI and ISP formally and submitted the data to the administrative authority for internal reference monthly. Our plan is that during one or two years of internal use, we will finally release the data to the public in 2016 or 2017.



Work on SPPI

At present, China has calculated the SPPI on Wholesale and Retail Trades, Hotels and Catering Services, Transport, Postal and Telecommunications industry.

Work on ISP

China also started trying to calculate monthly ISP. The current calculation is based on the industry groups and only covering legal person enterprise part of the service industry. The compilation method is mainly based on the compilation manual for an index of services production of OECD. All the base indexes are listed in the following table. We use the proportion of value-added of different industries of last year as the weight when we sum the different industries. Concerning that China's current SPPI is still not mature, the price deflator for ISP used is not SPPI but the related CPI and its subentry.

Table The Sectors and Base Indexes of ISP

No.	Sector	Base Indexes
1	Transport, Storage and Post	freight ton-kilometers and passenger-kilometers; operating revenue; business volume of postal services
2	Information Transmission, Computer Services and Software	business volume of telecommunication services; operating revenue
3	Wholesale and Retail Trades	Total retail sales of consumer goods
4	Hotels and Catering Services	Catering income
5	Financial Intermediation	Total deposits and loans of financial institutions; premium income; volume of stock trading
6	Real Estate	Floor space of commercialized building sold; operating revenue
7	Leasing and Business Services	operating revenue
8	Scientific Research, Technical Services and Geologic Prospecting	
9	Management of Water Conservancy, Environment and Public Facilities	
10	Services to Households and Other Services	
11	Education	
12	Health, Social Security and Social Welfare	
13	Culture, Sports and Entertainment	

Since the calculation schemes for SPPI and ISP are still in the process of test, the calculation results haven't been released and only used for internal research and trial. We hope that next year when China attend the VG 2016, we can show you the data of ISP and SPPI.

Future Work

In the future, we will further expand the calculation field of SPPI to all the tertiary industries. And we will improve the calculation method of ISP. During one or two years of internal calculation, we will test the base indexes and price deflators for all the service industries and try to find the scientific ones. When the SPPI of China is complete and mature, we will mainly use SPPI instead of CPI and its subentry as the price deflator.