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SECTOR PAPER: Veterinary Activities, turnover/output

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1. Introduction

The paper gives a summary of the experiences measuring turnover within Veterinary Activities within Sweden, The Netherlands and Japan, presented and discussed at 30th Meeting in the Voorburg Group. Concerning the measurement of prices experiences are very limited in the Group and it was concluded that this area is not ready to be closed in this sector paper.

2. Classification

2.1 Industry classification systems

Five classification industry systems are mentioned by the presenters. The UN international Standard Classification (ISIC, Rev 4). NACE Rev.2 (Statistical Classification of Economic activities in the European Community, JSIC (the Japan Standard Industrial Classification rev 13), NZSIOC (The New Zealand Standard Industrial Output Classification) and ANZSIC06 (the Australian and New Zealand Standard Industrial Classification 2006)

ISIC and NACE Rev2 correspond within this industry (ISIC 75). Within JSIC, Veterinary Services is grouped under division 74 “Technical Services n.e.c”, as 74.1. 74.1 correspond directly with ISIC 75. In the NZSIOC, Veterinary Activities is grouped in MN114, but MN114 does also include other activities, which can be viewed in table below, also present showed in the paper concerning PPI for New Zealand from New Zealand, showing the correspondence between NZSIOC level 4, ANZSIC06 class and ISIC Rev. 4

Table 1: Comparison of NZSIOC level 4, ANZSIC06 and ISIC/NACE

NZSIOC level 4	ANZSIC06 Class	ISIC/NACE
MN114 – Veterinary and other professional services	M697000 – Veterinary Services	M7500 –Veterinary Activities
MN114 – Veterinary and other professional services	M69700 – Veterinary Services	M7429 – Photographic activities (partial)*
MN114 – Veterinary and other professional services	M699900 – Other professional scientific and technical services n.e.c	M7490 – Other professional, scientific and technical activities n.e.c

The majority of the output within MN114 corresponds to M697000 and M7500. There exist no sub-groups within any of the Industrial classification Systems

2.2 Product classification

The CPC (Rev. 2) and CPA 2008 corresponds, having both 3 products in the production structure (Veterinary Services for pet animals, Veterinary Services for livestock and Other Veterinary Services). The North American Product Classification System o have only one product directly related to veterinary services – named veterinary services. The NAPCS does not distinguish between pet animals and live stocks. It does anyway distinguish between Veterinary Services and non-medical services for household pets.

3. Turnover Statistics

3.1 Data availability

Nine-teen out of twenty-six reporting countries collected turnover data on the industry level. The 3 countries reporting about the industry structure within veterinary services (Sweden, Netherlands, and Japan) had in common that 95 percent or more of the enterprises are small, having less than 50 persons employed. The Swedish figures differed from the figures from Netherland, having a significant part of the turnover, 37 per cent, produced by medium/large enterprises (+50 persons) employed. Only 5 per cent of the turnover was produced by medium/large sized companies in the Netherlands. The turnover within ISIC 75 is contributing insignificant to the GDP (< 1 per cent) in all 3 countries.

Sweden collects monthly/quarterly data at industry level and yearly turnover at industry and product level. The short term statistic is a sample survey, based on a combination of monthly survey for large units and quarterly survey turnover is divided into months). Monthly data are used for producing ISP. From 2015 Statistics Sweden also uses administrative data for this survey, in order to reduce the response burden. The yearly turnover is collected to fulfill the Structural Business Statistics Regulation, The survey is based on income statements and balance sheets from the Swedish Tax Agency. In addition sample surveys are carried out, to collect more detailed information. The largest enterprises are surveyed independently of the tax-data. Within ISIC 75, two enterprises were surveyed this way in 2013. The collection of CPA-data shows that approximately 85 per cent of the turnover activity is from veterinary services for pet animals, whereas the last 15 per cent is turnover from Veterinary Services for livestock and other veterinary services.

The Netherlands collects quarterly and yearly data at the industry level. The data collection for STS is mainly based on Administrative data (VAT), supplemented by a small sample survey. The yearly data (SBS) is based on a combination of a sample Survey and a census survey (largest units). The small enterprises are mostly surveyed every 5th year, in order minimize administrative burden and produce the statistics efficiently. In the years where the small units are not surveyed, turnover from the STS estimates and the structure of the previous year is used to estimate SBS for the current year.

In *Japan* Veterinary Services, JSIC 74.1 is a part JSIC 74, Technical services. Japan has a Monthly Survey on Service Industries (MSSI), for which JSIC 74.1 is a part. The survey includes collection of turnover. The monthly data is however just available at 2.digit.level. The yearly turnover for veterinary activities is estimated and published, based on the monthly collection. The MSSI is a sample survey, respondents giving information through mail, internet or directly to enumerators (small units). Japan does not collect product data, but included in the paper a figure showing that number of Veterinarian for pets – and other Veterinarian Activities are approximately the same in absolute number, leaving the number of veterinarians for the third field, services for industrial animals, behind.

New Zealand, contributing primarily within PPI in this session, described a plan for collecting data for turnover in the near future (2015). The plan is to produce quarterly turnover data, using New

Zealand’s Goods and Services Tax return. (GST). Businesses report their sales, purchases and tax-to-pay either monthly or two-monthly depending on size, with six-monthly reporting for very small businesses. Veterinary Services is dominated by small units in New Zealand making administrative data very useful and at the same time reduce response burden on small businesses.

3.2 Data issues

Collection of data at product level gives also important input to the NA, distinguishing between B2B and B2C, using CPA 2008. Sweden states that industry is quite homogenous, 89 per cent of the turnover in ISIC 75 being classified as veterinary related activities. The other countries do not provide this information, but as their industry is dominated by small units, it is not unlikely that the industry is homogenous as well. It was mentioned at the 2016 meeting that boundaries towards other industries in some cases might not be as clear as mentioned above. Some enterprises focus on commerce but list themselves veterinarians. Sale of drugs could e.g. be a primary source of revenue.

3.3 Recommended approaches

Table 2 provides an over view of best good and minimum development options, for developing or re-developing turnover statistics.

Category	Data Source	Level of detail collected	Frequency	Cost
Best	Survey/Census	Industry turnover and product turnover detail	Annual and/or sub annual collection	Most expensive Largest response burden
Good	Survey/Census, combined with administrative data	Industry detail only	Annual and/or sub-annual collection	Expensive High response burden
Minimum	Administrative data	Industry detail only	Annual	Least expensive Little or no respondent burden Misclassification issues, but might not be large within this industry

The countries fall into the best or good category.

New Zealand takes an approach (based on the description of their data-collection plans), not showed directly in the table, only using administrative data, but collecting quarterly. All other countries collect data either by survey/census or survey/census combined with administrative data – both annual and sub-annual.

The challenge of potential misclassification issues will always arise, when data collection is purely based on administrative data. Anyway, the size of the challenge should be viewed from industry to industry, as some industries have clear boundaries by activity and a stable population. ISIC 75 could be such an industry, which e.g. is the case in Norway). If the industry as well is dominated by many small units, using only administrative data for the sub-annual statistics might only have one disadvantage compared to data collection from survey - being less timely. One could also address the importance of the industry in the economy, when considering the best, good and minimum approaches. Minimum may be good enough if contribution is insignificant, as is the case with ISIC 75 within Sweden, Netherlands and Japan.

4. Short summary of main conclusions

The industry classifications mentioned are well aligned. JSIC, NACE and ISIC are completely comparable. The NZSIOC level 4 (MN 114) covers more than Veterinary Services, but this activity is the dominating one. One country collects product data, all countries collect yearly and sub-annual data. In total the methods used fall into categories “best” or good”. ISIC 75 contributes insignificantly to the GDP in all countries. Dominated by small units, secondary production is most likely limited, but only Sweden provides exact information concerning this. One should consider that if the industry is dominated by small units, have homogenous production and clear boundaries towards other industries whether administrative could be the only source for data collection for Short-term-statistics. In some cases it can be questioned if the unit classified as Veterinarian actually have this as a main activity – or if commerce is a more correct description of this.

References.

Mini-presentations from the Voorburg Group meeting 21.-25. September 2015:

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Services producer price index for Veterinary Activities, James Griffin & Craig Linken

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