

Strategic Plan for the Voorburg Group on Services Statistics 2017-2022

Draft for consideration at:

**31st meeting of the Voorburg Group
Zagreb, Croatia
19-23 September**

Prepared By Voorburg Group Bureau

Jakob Kalko	Co-Chair, Voorburg Group on Services Statistics
David Friedman	Co-Chair, Voorburg Group on Services Statistics
Mary Beth Garneau	Voorburg Group Bureau
Kat Pegler	Voorburg Group Bureau
Marcus Friden	Voorburg Group Bureau
Mohan Chutani	Voorburg Group Bureau
Anka Javor/Maja Dozet	Voorburg Group Bureau
John Murphy	Secretary of the Voorburg Group

NOTE: This should not be treated as a completed Plan but rather as a basis for discussion at VG 2016. As such, you will see areas that have been left open for further discussion and/or decision at the meeting in Zagreb. Once this Plan is finalized, a Table of Contents will be added at the front of the document.

1. Introduction

The Voorburg Group on Services Statistics (VG) is a “city group”, one of several such groups who operate with endorsement of the United Nations Statistical Commission (UNSC). It held its first meeting in 1987, hosted by Statistics Netherlands in Voorburg. At last year’s 30th meeting in Sydney, Australia, the Group considered the future of the Group, including its mandate, objectives, operations, and future work plan within the context of its previous twenty-eight years of accomplishments. Since 2005, the Group has been working within the context of a Strategic Vision endorsed by membership at the 20th meeting of the Group. At the 30th meeting, it was agreed by consensus of the members present that, while the Group’s mandate from the UNSC is still mostly relevant, the Group is now at a turning point and it is time to create a new Strategic Vision/Plan for the next five years.

Thus, the VG Bureau under leadership of the Group’s current co-chairs, David Friedman and Jakob Kalko, has drafted this Plan for consideration and review of participants at the 31st meeting of the Group, hosted by the Croatian Bureau of Statistics in Zagreb on 18-23 September 2016. In putting this draft Plan together, we reviewed the results from last year’s sessions on the future of the Group. For more information on those sessions, you can reference Appendix A. At this year’s meeting, we will present this draft Plan for review and discussion with the intention to finalize it by the middle of November for subsequent presentation to the UNSC.

The contents of this document include the following sections:

- An overview of the Voorburg Group and its history and the challenges now facing the VG
- The VG Mission - building on its historical mandate, a Mission for the present and the future
- Objectives for the VG for at least the next 5 years
- Proposed work plan of the Group for the next 5 years focusing on the identification and timing of specific tasks need to accomplish the objectives, including proposed changes in how we will be organized to accomplish our objectives (new Content Development Framework, frequency and purpose of meetings, etc.)
- Next steps/finalizing the Strategic Vision/Plan after the 31st meeting

2. History of the Voorburg Group and the challenges facing the Group

This section of the Plan provides a brief overview of the history of the VG, explaining its evolution in more detail to make the reasons for creation of this new Plan as concrete as possible. It will also help those relatively new to the VG better understand how prior experience of the Group plays a role in the choices we make in choosing the objectives and work plan for the next few years. It ends with a discussion of the challenges that led the Group

to conclude that the VG needs a new Strategic Vision/Plan, which is intended to make the drivers for change clear.¹

The VG is actually the oldest of the [city groups](#), each named after the city where a Group first met. Originally started in response to a request in 1986 from the UNSC for assistance in developing services statistics, the Group has consisted from its inception primarily of experts from national statistical offices (NSOs) as well as periodic participation from international bodies like the Organization for Economic Cooperation and Development (OECD), Eurostat, and the United Nations Statistical Division (UNSD). Participation in city groups is voluntary and driven by interest in the NSOs. It was recognized from the start that these informal consultation groups are an innovative way to use country resources to improve and speed up the international standards development process. Although they are self-governing and set their own working agendas, their terms of reference (sometimes called a mandate) are approved by the UNSC, and since 1997 the Commission regularly receives progress reports from the city groups and discusses their work, including the Voorburg Group. The VG's last written progress report was delivered in time for the UNSC meeting that occurred in early 2015. Over the years, there have been 15 such groups formed to address various areas of interest to NSOs, of which 7 consider their objectives completed and the other 8 are still active².

The Voorburg Group was founded to help carry out conceptual and development work in the measurement of services statistics, including in the beginning a primary focus on product classification. With such a diversity of services outputs, it was recognized that different conceptual and empirical approaches would have to be developed. Pooling experiences internationally allowed for broad coverage of services, convergence in approaches, and the sharing of best practices. Among the city groups, the VG has always had a more practical orientation, addressing issues related to the production of services statistics, including service product outputs and inputs, the estimation of the real product of service activities and price indices of service products and industries, as well as their implications for product and industry classification. During the first 17 years of the Group's existence, it was successful in developing product and industrial classifications and model surveys, and in discussing a wide range of topics. The prime example of VG contributions to classification systems was the successful development of the Central Product Classification (CPC) for which the VG provided recommendations to the UNSC on classification of service areas, having a direct impact on the

¹ For those members familiar with VG history and the discussions at the 30th meeting about the challenges facing the Group, you can choose to skip this section and move onto the remaining sections. This section is here primarily to place the new Plan in its proper context.

² Perhaps the city group that is most related to the work of the VG is the Ottawa Group that is focused on applied research in the area of consumer price indices (though not exclusively), whose last meeting was held in Tokyo in 2015 and meets approximately every two years. For more information, see their website at <http://www.ottawagroup.org/ottawa/ottawagroup.nsf/home/Ottawa+Home>. The other city group that is often mentioned by other VG members is the [Wiesbaden Group](#) that focuses on business registers, survey frames, and related topics, whose last meeting took place just this past June in Tokyo as well. After meeting annually from 1986 through 2012 including attempting virtual meetings in 2006, 2009, and 2011, the Wiesbaden Group has moved to biennial meetings since 2012.

international standards themselves. Ever since then, VG members have attempted on occasion to gather input on potential revisions to both ISIC and CPC for sharing with the UNSD.

Beginning in 2004, in response to concerns about the Group's broad agenda, the Group undertook its first intensive review of the focus and modalities of the Group and produced a [Strategic Vision](#) that has guided the work of the Group in part through the 31st meeting, with some modifications in the work plan in later years of that span. As a result of presentation of the Strategic Vision, in 2005 the Voorburg Group received a renewed mandate from the UNSC concerning its objective, focus, and scope:

The objective of the VG is to establish an internationally comparable methodology for measuring the constant dollar outputs of the service industries. The focus of the VG is to develop concepts, methods, and best practices in the area of services. The scope of the VG is centered on producer price indices (PPIs) for services, turnover by products, and classifications.

At the same time, the Voorburg Group Bureau, the Group's leadership committee, invited less developed countries to attend the meeting to provide them with the opportunity to learn from observing the best practices developed during the meetings. This met another aspect of the mandate, the *transferring of knowledge*.

In 2006, Voorburg Group membership adopted a content development framework (CDF) to ensure that its work was focused on the strategic vision and would result in a set of tangible outputs that provide information to the larger official statistics community. You can find the current CDF on the VG website at <http://www4.statcan.ca/english/voorburg/index.asp?page=news.html> and the complete text in Appendix B to this report. Note that at the 30th meeting, we formed a task force to look at the CDF and propose either revisions or a new framework that will better support the Group's work in the future. The work of that task force will be presented at the meeting in Zagreb.

From 2006-2015, the Group has covered a large number of ISIC industries with regard to measurement of turnover/output, SPPIs, and classification issues. A complete overview of the work done through the Group's 29th meeting in 2014 can be found in the latest progress report to the UN at <http://unstats.un.org/unsd/statcom/doc15/2015-24-VoorburgGroup-E.pdf>. The annex to that report lists the 105 industries covered by the work of the Group during those years, with some industries being grouped together for study purposes. The focus of the Group has been primarily on the development of Sector Papers, which present key methodological guidelines for the development of services statistics as it applies to turnover, producer prices, and classification. Each Sector Paper covers one or more of the industries covered by the Group during the past 9-10 years, i.e. many of the papers cover groups of related industries as applicable. Appendix C includes a list of the Sector Papers completed through 2016³. In

³ Three of the papers listed in Appendix C are scheduled for consideration by VG membership at the 31st meeting in September 2016. The Group has a process that it uses for adoption of Sector Papers contained in the CDF – see section 2 of last year's Options Paper on the Future of the Voorburg Group for more detailed information. Note that sector papers include a class of papers called "Revisited Sector

addition, a number of cross cutting topics, touching fields across industries (e.g. topics related to National Accounts) has been included in the meetings. All of the papers contributed over the history of the VG as well as many of the presentation slides used at the VG meetings are stored on [the VG website](#) with particular focus on Sector Papers, Revisited Papers, and the country-specific paper and presentations (called generically “mini-presentations”) that serve as the inputs for deliberations at VG meetings and the subsequent creation of the Sector Papers. Note that the VG Sector Papers were always intended to be living documents and in fact a few sector papers have been updated as the relevant industry has experienced significant economic change, but there is no systematic process for addressing the need for updates.

VG meeting agendas have been structured around industries and cross cutting topics. Within industries, 2-3 papers concerning output/turnover and PPI have been presented each year. A sector paper for each industry (best practices) has been written by the session leader and published at the VG website. There is no doubt that VG efforts have made a significant contribution to development of best practices and standards and has contributed to resolving statistical and measurement challenges in the Services Sector. The most prominent example of this contribution is how VG Sector Papers formed significant parts of the input for the second edition of the [Eurostat-OECD Methodological Guide for Development of Producer Price Indices for Services](#) (Published in December 2014).

With growing experience, especially within PPI’s during 2006 and forwards, the agenda was relatively easy to establish from year to year. In recent years though, there has been a growing sense that we may have reached a crossroads, i.e. that we may have largely accomplished the Vision first established in 2005 and need to think more strategically about the future of the VG (similar to what the Group did in 2004-05). The agendas for the past 2-3 years at least seem to be covering rather small industries measured by turnover/output and there is a sense among some members that the Group has reached the “bottom of the barrel”. Most significant industries which were identified when the current strategic vision was set have been covered; to the extent that they have not been covered, it is usually due to lack of experience among NSOs or significant measurement challenges that have not been successfully tackled yet by most, if not all, of the NSOs. At the same time, the membership recognizes the important resource it has created with the Sector Papers and supporting materials such as the [Thesaurus for Price Methodology](#), the [Glossary](#), and the [National Account General Methodology Paper](#) (which has guided the VG’s work on measuring real output using services producer price indices), and is concerned about making sure that this resource is kept relevant.

At the same time that this experience with industry-based work has taken shape, there has been a growing interest and focus on cross-cutting topics that began in earnest in 2011⁴.

Papers” that look back at work done on an industry prior to adoption of the Strategic Vision and CDF and create papers that conform to the new format and purpose.

⁴ Although the term ‘cross cutting topics’ first appeared in the VG agenda for the 2011 meeting, the VG has always had some version of special topics that on the surface appear similar to what we call cross-cutting topics in more recent years. On the VG website, you can find contributions done prior to 2011 on

Prominent examples include adjusting for quality change in price indices and reselling of services, but also some operational items like the growth of electronic reporting. While the sessions that focused on operational developments in various NSOs were popular with some countries, some members felt that those sessions were not necessarily contributing to the establishment of best practices and/or solving difficult methodological problems. *Still, while even the methodology-based sessions have been interesting and stimulating, they have not always resulted in a documented consensus that will inform the VG focus on best practices in its areas of responsibility.* Specific guidance papers like the one VG established for national accounts-related work in 2008 have been rare, sometimes because a consensus could not be achieved. This year we are trying again to have a concrete outcome from studying cross-cutting topics with the consideration of Guidance Papers that resulted from two cross-cutting sessions that focused on significant methodological issues at last year's meeting. Some longer-term members have cautioned us that the VG needs to guard against the problem of relatively unfocused agendas, which was one of the main problems addressed in the 2004-2005 re-examination of the VG purpose and scope. The consensus though is that we are not once again becoming unfocused but rather trying to make sure that the VG is still providing value to all of its members. The challenge is to establish criteria for evaluating what cross-cutting topics should be prioritized for handling by the VG.

In recent years, there is also an interest in countries having the opportunity to gain feedback from other NSOs on specific work they are doing and/or to share their accomplishments. We decided to experiment with providing a more efficient venue for this than our prior practice of holding traditional paper presentations on operational cross-cutting topics with the holding of the first poster session at a VG meeting last year in Sydney. This "experiment" proved to be seen by most members as highly successful and yet quite different from the focus of the Group in the prior 8-9 years. There is a strong belief from all participants that the exchange of practices and solutions from individual countries is extremely beneficial and that it may be the main reason for participation by some members and should not get lost in the desire to prioritize the development of best practices and methods.

At the same time, there is a sense that the needs of the Group are changing and also becoming more diverse with countries operating at different levels of maturity and/or faced with different challenges that may not find the best practices as documented in VG Sector Papers as ideal and/or feasible for their circumstances. To some extent, this can be seen as evidence of our success but also presents a challenge to continue to stay relevant for all parts of the VG's diverse membership⁵. In the early days of the VG, participation in the Group was largely from countries with more developed statistical programs who collaborated in the development of

Globalization (2009), International Trade in Services (1987-1993, 1995-96, 1999, 2002, & 2004) and Short-Term Indicators (2008).

⁵ Diversity of course is a matter of judgment/opinion. While the membership has included NSOs from North America, Europe, Asia, and ANZUS at various points in its history and there have been on average 23-28 countries represented at VG meetings in the past ten years, we have had only occasional participation from two countries in South America and none from Africa. The membership is always fluctuating to some extent, which is natural given the self-governing, informal nature of the Group.

methods to measure this challenging sector. There is now a strong base of methods and practices from their experiences in the measurement of the service sector. Today, those countries are tackling some of the more difficult industries and products and questioning methods and practices for some of the more challenging issues. However, while development work may be winding down for some of the long-time members, work is just beginning with a growing number of statistical agencies. Many of the long-standing members are providing technical assistance to other countries who are starting to measure services and they are encouraging participation in the Voorburg Group. The economies in some of the countries of our newer members may differ from those of the longstanding participants. Some new issues may arise. The resources available to measure the industry may not allow for some of the best methods defined in our sector papers. At the same time, technology has opened up new sources of information for all NSOs, even to the surprise of many, for services producer price indices. Some of the longer-term more developed countries have also questioned whether focusing just on services statistics is still worthwhile – for example, one country at last year’s meeting questioned what the VG can bring to the discussion of the use of new alternative data sources (e.g. “big data”) that is not already being addressed by other international entities. In other words, each NSO needs to feel that it is getting continued value from active participation in the Voorburg Group including attending its meetings. [NOTE: This is one of the main reasons we sent out email on 8 September to meeting participants asking them to canvass their services industry programs for issues and challenges individual NSOs are encountering and bring them with them to the VG 2016 meeting. The goal is to make sure that future meetings meet the most pressing needs of the Group.]

Although there were a handful of NSOs at last year’s meeting who questioned whether the VG has largely completed its work and should focus on closing out its activities, the majority of the members at VG2015 agreed that the challenges presented by today’s rapidly changing economy and the challenges presented to traditional statistical agency practices argue strongly for a continued role for the VG, especially in its focus on services turnover, PPIs, and classifications. The fact is that best practices can be challenged by new circumstances such as the growing availability of new administrative data sources and other alternative data sources, the demand for new linkages across statistics, and the tight budgetary environment that almost all NSOs face. Another example is the growing discussion in recent years about efforts to move the primary unit of evaluation in the National Accounts from establishments to enterprises, a concept that could have major implications for current classification systems and thus present a new opportunity for the VG to provide our perspective on this idea.

Last but not least, as an informal, self-governing entity with control over no resources of its own, *the VG struggles with finding ways to maintain its documentation and make it accessible to others.* The UNSD is supportive but not apparently in a position to provide concrete resources. Thanks to the generosity and commitment of Statistics Canada, the Group has a website where all the meeting materials are stored but there have still been periodic calls to modernize it and turn it into something that can outlive the VG itself. There is always much interest expressed at meetings themselves on working on this, but then reality sets in after we return to our workloads in each NSO and we consider ourselves fortunate to have the current

website and prioritize our limited time and resources on preparing papers and participating in meetings. Despite the best of intentions in planning meetings themselves, in more recent years, we often find that it is hard to get members to commit to a final agenda and to stick to deadlines on a relatively tight annual schedule. We need to consider whether there are better options for maintaining our documentation and whether there are better options for using the time between meetings, leveraging technology when that is possible, and/or whether changing the frequency of our face-to-face meetings would make a difference.

Put simply, the future of the VG needs to address these challenges and craft the new Plan to define clearly what we see as the future of the Voorburg Group – what we want to be and how we are going to get there.

3. The Voorburg Group’s Mission

A mission defines the unique reason an organization exists now and into the future. It defines the boundaries for all activities in which the organization engages – ideally, it declares what the Voorburg Group for Services Statistics does, for whom, and why, as succinctly as possible. As a city group, it needs to be consistent with the UNSC’s terms of reference for the VG. The general consensus of the Voorburg Group is that our mandate and/or terms of reference is still valid, but that we need to supplement it with a list of objectives that make our goals for the next stage of VG existence relevant to the diverse of needs of current and future VG members. Thus, this section of the Plan proposes the following mission for the VG moving forward:

The mission of the Voorburg Group on Services Statistics is to establish and maintain an internationally comparable methodology for measuring real output for the service industries. We focus on the development of concepts, methods, and best practices for services statistics with the scope centered on producer price indices (PPIs) for services, turnover by products, and related classification needs. In so doing, we will be mindful of the diverse needs of VG members and continue to focus on the importance of expanding our knowledge base in line with rapid change in services industries and/or product areas.

This new mission is consistent with the UN terms of reference but makes explicit that attention to best practices is not a static activity and that we need to meet the needs of a diverse membership in developing *and managing* our knowledge base. Essentially, our work contributes value by not just sharing lessons learned through hard-won experience in NSOs but also by recognizing that we have a duty to tackle the harder issues as well. The latter will be made more concrete by including a new set of five-year objectives that extend what this mission means at least for the time horizon of this Plan; they are outlined in the next section of this Plan.

Commented [FD-B1]: Some members of the Bureau think that we need something here to summarize the main challenges and drivers for change – they are getting a little lost in this length section. I thought about putting together a table in this section that summarizes those drivers for change so that it helps all of VG think hard about whether the Bureau has captured where we need to go the future in sections 3 and 4 of this Plan. However, I struggled with the best approach for doing that and decided that it was more important to get this draft out to meeting participants a full week before the start of VG 2016 than to take more time to get that summary table in this version. **As in an interim measure (one that will be taken out of the final draft), I did underline sentences in this section that attempt to summarize as group the challenges facing the VG and that influenced the Mission, Objectives, and Work Plan sections of this Plan document.** We will also have PowerPoint slides for the highlights of this document as well as our plans for discussing the Plan at the meeting so it is likely that we will have a summary table of main challenges and drivers for change in that presentation.

[NOTE: Strategic Plans often also have a vision statement that is an aspirational description of what an organization would like to achieve over the time horizon of the Plan. While the mission focuses on what we do and thus is more static, the vision answers the question of what success would look like at the end of the Plan time horizon. The objectives can then be seen as flowing from the vision statement, which is a concise and direct statement. Whether to have a vision statement in this new Plan was a point of discussion among Bureau members but we decided that this is a topic best left for discussion at the Zagreb meeting. We mention this here so you can think about this question as you read this draft Plan.]

4. Voorburg Group Five-Year Objectives

This section of the Plan discusses five new objectives that the VG strives to accomplish over the next five years. Taken together along with the Mission, they represent what the VG will do, for whom, and why over the time horizon of this Plan. However, this is necessary but not sufficient – VG needs to have a work plan that describes in more concrete terms how the VG will accomplish these objectives. The proposed work plan is presented in section 5 of this Strategic Vision/Plan. The VG objectives for the next five years include:

- A. **Respond to changes in the economy and challenges presented to NSOs that produce services statistics for turnover and/or PPIs:** VG will update its best practices to account for the rapidly changing economy and its impact on our survey-based statistical measurement practices. This especially includes attention to the variety of alternative data sources that can be used to generate accurate reliable service statistics that continue to allow cost effective measurement of the real outputs of the services industries. The group should also pay attention towards new regulations or other demands which influence the statistical unit to be used for measurement (e.g. enterprise vs. establishment).
- B. **Focus on knowledge transfer & collaboration between meetings.** The VG will keep up a certain degree of activity of knowledge transfer and collaboration between the meetings. This will include consideration of how best to meet the diverse needs of its members according to level of maturity. Our intention is not to supplant, but rather to complement, the formal international technical training programs of individual NSOs and/or international bodies. These activities could both be internal in the VG, but also external (e.g. collaboration with other City-Groups, UNSD, OECD, Eurostat, IMF, or other international organizations).
- C. **Focus on cross-cutting topics that result in Guidance Papers.** The VG has to decide what criteria should be used in deciding which cross-cutting topics to address, under the assumption that these topics should always result in a formal Guidance Paper that relates to the overall VG mission and informs development of best practices. This could mean that we will primarily focus on methodology-based cross-cutting topics.

Commented [kaj2]: I included this as of today. Besides from new data sources, new regulations may influence the statistical unit to be used, which again could influence the methods we use – and perhaps also the possibilities (positive/negative) of using new data sources

- D. **Continue providing a forum for information exchange on emerging issues.** Building on our experience with poster sessions, the VG will continue to provide opportunities to share information on emerging issues and an efficient forum for members to obtain feedback on work they are doing of potential interest to other NSOs.
- E. **Make VG documentation more accessible and keep it up-to-date.** The VG should establish procedures and a schedule to keep documentation up-to-date, as well as decide where to store it, making it is easily available for persons outside the Group (and assure that it lives on if/after the Group disbands). However, the VG needs to be realistic about what it can accomplish with limited resources; discussing opportunities for support with other entities such as UNSD should be part of this effort. Related to this objective is giving consideration to assuring that the operations of the VG are aligned with providing value to its members, especially the appropriate mix of formal meetings, the use of working groups between meetings, and new forms of collaboration such as virtual discussion groups and other similar mechanisms.

Commented [kaj3]: Could this be a part Objective B. Based on the conference call we let it stay, as it is. Important to be explicit concerning this topic

5. Work Plan of the Group for 2017-2022

This section of the Plan lays out the tasks that the Group will perform over the next five years to accomplish the objectives listed in the previous section. Each task can be aligned with one or more of the objectives. The tasks are described below and then following the tasks is a summary table that depicts the relationship that we currently see between the tasks and the objectives. Please note that these are the proposed tasks as they stand now – we will need to refine this during the meeting in Zagreb. For each task, we will also need to finalize the timing over the course of the proposed five-year span of this Plan, in effect adding an estimated timeline for completing the tasks – the timing for some may be dependent on others.

- I. **Identify and evaluate alternative data sources** - As within other statistical areas, new data sources/techniques have been become available for service industries. Examples include “Big data” and “web-scraped data” as well as large administrative data sets. Some of the potential advantages are cost-savings, lower response burden, and more accurate statistical measurements through increased data input, supplementing or substituting the traditional statistical survey. The members should share practical experiences, concerning new data sources and the measurement of output and prices among different service industries. Focus should be on potential sources of data and the limitations or advantages of use for specific services (what some call “fitness for use”). More general issues/challenges such as different legislation in each country and different technological competence in the NSOs should remain the domain of other international groups exploring alternative data sources. In particular, this topic is also covered by the Wiesbaden Group but on a general level. In addition, a Global Working

Group (GWG), created by UNSD in 2014, is tasked with investigating the benefits and challenges of Big Data. The VG should focus on specific application of these data in specific industries and concrete lessons learned, and may follow the output from the other international groups in the context of the VG work. This could include establishing a sub-group within the VG that would follow this international work between VG meetings and communicate the output to the VG members. Direct and systematic contacts with the city groups and UNSD concerning this topic should also be considered, particularly if specific methods and applications in the context of service measurement have broader implications that could be valuable input to these groups.

a. **Timing** – *discuss what timing should be at VG2016 meeting*

II. **Develop and implement new Content Development Framework.** *The first task to be fulfilled is to agree about the new CDF for sector papers.* A task force group will present a suggestion for a new format at the VG 2016 meeting. Based on the discussion and input from the VG, the task force will finalize the work before the end of October 2016. The new format will take into consideration that paradigms have changed since the current CDF was introduced in 2006. For example, a separate section focusing on potential data sources will be included. It will also cover how and when organizational issues should be treated in the new CDF. This question arises due to a higher degree of globalization and more complex organizational structures, which in turn might influence classification issues and /or measurement of turnover and PPI. *The second task to be fulfilled is to organize the transition of old sector papers into the new CDF, including also any other developments that have occurred since a sector paper was last introduced.* The VG does not necessarily need to update all sector papers to the new format. It depends on the degree of changes that have occurred in the industry since the last version of a specific sector paper was written. The VG will place priority on industries on which members are focusing. Size and nature of industry will also influence the sequence of industries to be updated

a. **Timing** – *Complete new CDF by end of October 2016; timing of next steps thereafter to be decided at VG2016 meeting*

III. **Establish plan for keeping documentation up to date and accessible and then implement the plan.** The VG needs to find a way to permanently house the information produced by the Group (latest versions of issue papers, sector papers, guidance papers, thesaurus and conceptual papers) in an accessible form. This will also be of value for members outside the Group – and as reference after the Group disbands. The VG intends to start this process at the 2016 meeting. One suggestion could be to establish a task-force at the beginning of the meeting, asking the group to come up with some ideas during the meeting. The VG will also look to what other groups do in this field. This could include exploring options for obtaining funding or support from outside organizations.

a. **Timing** – *Establish working group at VG2016 to make proposals that will then be implemented over the course of subsequent five years of this Plan*

Commented [kaj4]: Have to be more concrete here – concerning what we want and how it should be communicated

Commented [kaj5]: Boundary between what we do (practice) I vs broad-based issues

Commented [kaj6]: I think we need to fit these comments to the final suggestion concerning the CDF

Commented [FD-B7R6]: This paragraph will be revised as needed after we have the session at VG 2016 on the proposed new CDF.

IV. **Handling of cross-cutting issues – identify and work on Guidance Papers.**

Cross Cutting topics (e.g. bundling of services, sectoring and electronic reporting) have usually showed up “ad-hoc” during the meetings and by members of the Group. The advantage with this method is that it is possible to bring up topics on short notice. However, the VG also sees some risk that topics in the future might not be central to accomplishing our objectives. The Group should therefore decide on a basic set of criteria, which a topic must meet in order to be regarded as a cross-cutting-topic. This would allow some degree of “ad-hoc” suggestions to continue while mitigating the risk of going off course. Some suggestions of these criteria might be:

- a. Measurement challenges of output or PPI across several service industries
- b. New data sources, advantages/disadvantages across service industries,
- c. Theoretical/methodological issues within PPI/output (facing service industries but may also be present within other areas)
- d. Issues within the VG mission and objectives, but foremost a challenge for the NA
- e. Degree of relevance within certain time horizon (e.g. at least 3 years perspective).

Timing – to be determined at VG 2016.

V. **Identify and implement mechanisms for collaboration activities outside of VG meetings.**

The Group has suffered from a lack of activity between the meetings, not taking into consideration the intensive last 4-6 weeks before the meetings. The Group should identify how this can be changed. *First*, it should be considered which communication mechanisms are suitable here. There are several potential solutions: *on-line discussion forums (Slack was introduced by Kat Pegler this Spring and we hope to discuss members experience with it at VG 2016 as one example)), conference calls, Skype-meetings, etc.* Besides deciding on the ways to communicate, the Group also needs to consider whether this communication should be on an ad-hoc basis or be organized more systematically (e.g. agreed times for discussions/“meetings”) during the year, perhaps based on deadlines for smaller topics.

- a. **Timing – to be discussed/determined at VG 2016**

VI. **Explore formal collaboration with other UN City Groups and potentially other international organizations**

(Ottawa, Wiesbaden, UNSD, etc.). The Voorburg Group should more closely follow activities of the Wiesbaden Group on Business Registers (also mentioned in task I above) and the Ottawa Group on Prices. The Wiesbaden Group might provide useful information concerning new data sources and organizational issues, important for classification (and as a result of this, potential influence on the measurement of output and PPI). The Ottawa Group provides a forum for specialists to share their experiences and discuss research on crucial problems of measuring price change, focusing on applied research which has largely dealt with the CPI. The 2015 meeting looked at topics such as alternate data sources and index number formulas, new methods for quality adjustments, pricing seasonal products, and compilation of property price indexes. Activities in the GWG, mentioned in task I above, should also be

Commented [kaj8]: A CC-topic here in 1 and 4 could also in the future be connected to the use of new statistical units for measuring output/Prices etc., if implemented. But the topic has also potential for being industry specific – and could for this reason be given an own paragraph in the working plan. I have added this topic in task VIII below.

Commented [kaj9]: These suggestions are not exhaustive – please comment, add new suggestions or propose removal!

Commented [kaj10]: I am in favor organizing collaboration between the meetings as systematically as possible. If not – I fear that the communication on e.g. discussion forums will not work, due to priorities of other working tasks. But – I might be wrong here!

followed closely; this could be done in cooperation with the UNSD. The VG should establish a protocol to follow up on the output from these groups and bring it to the context of the VG work. A separate sub-group within the VG should be considered to follow this between VG meetings and to communicate the output to the VG members. Direct and systematic contact with the City Groups and UNSD should be considered (going beyond the periodic progress reports the VG submits to staff at the UNSD for consideration by the UNSC as well as the approximately annual updates of the UN City Group website VG provides – see the hyperlink at the beginning of section 2 of this document). This task could also include approaches to other international organizations as relevant, e.g. OECD, Eurostat, IMF.

a. **Timing** – *to be discussed at VG 2016*

VII. **Determine structure and frequency of VG meetings.** The structure of each VG meeting should encourage active participation from all countries. The poster sessions and splitting up the group into smaller discussion groups within some sessions has worked well. It is still very important that the meetings are based on papers = written documentation. Topics are still to be addressed towards output, producer prices, and cross-cutting topics, due to the mandate for the group (*but we have to come up with something explicit here, we cannot just update old sector papers and have meetings concerning new data sources as I see it*). Frequency of the meetings in the future could be every second year (to be discussed), but this might not be implemented until after an eventual 2017 meeting, where evaluating the new concepts (CDF, collaboration with other city groups, yearly minor deadlines, discussion forums or other areas where the group can have contact between the meetings) may be done. All of this could ultimately be influenced by what type of Group the membership envisions as the VG of the future, i.e. what is the appropriate role of formal meetings vs. other forms of collaboration that are best aligned with the objectives of the VG. Whatever is chosen needs to take into consideration assuring that the diversity of needs of VG members is met and that all of them see continued value in the Group's activities, recognizing that members obtain value in different ways.

a. **Timing** – *decide on frequency of meetings at VG 2016; structure of meetings will be ongoing determination throughout the years of this Plan (experimentation is good – learn what works and what doesn't, keep things fresh, etc.)*

VIII. **Consider the consequences for services methodological approaches of any change in the statistical unit for measurement of output and prices from establishments to enterprises, due to new regulations or other demands.** Another example is the growing discussion in recent years about efforts to move the primary unit of evaluation in the National Accounts from establishments to enterprises, a concept that could have major implications for current classification systems. It could also have consequences for the future measurement of turnover and prices. Like it has done in the past with inputs to creation of the CPC and to revisions in other classification systems, the VG could provide input on this "hot topic".

Commented [kaj11]: We could move this from the working plan to section 6, Conclusion & next steps?

Commented [FD-B12R11]: For now, we are leaving it here. We should be able to take care of the determination on frequency of meetings at VG 2016 itself thus no longer needing it as a task in any work plan. Structure also seems to me like something that does not have to be set in concrete so to speak – it is something can evolve from meeting to meeting as we experiment and reuse new things that work and jettison those that don't. For further discussion at VG 2016 in Zagreb!

Commented [I13]: We should consider a shorter meeting. Maybe 3 days like Ottawa Group. We should look at what other groups do

Commented [kaj14]: As for turnover, this will probably cause only minor challenges. For prices, it will be challenging within enterprises having several secondary activities in FRIBS, at the moment KAU (kind-of-activity) is the unit suggested for the future collection of SPPI, quarterly statistics!

a) **Timing** – to be decided at VG 2016

Below you will find the Table that summarizes the relationship between the Plan objectives and the Work Plan tasks.

<i>Objectives</i> <i>Work Plan Tasks</i>	Respond to changes in the economy and challenges faced by NSOs	Focus on knowledge transfer & collaboration between meetings	Focus on cross-cutting issues that result in Guidance Papers	Continue providing a forum for information exchange on emerging issues	Make VG documentation more accessible and keep it up-to-date
Identify and evaluate alternative data sources	✓		✓	✓	
Develop and implement new CDF	✓	✓			✓
Establish plan for keeping documentation up to date and accessible and then implement plan					✓
Handling of cross-cutting issues – identify and work on Guidance Papers	✓		✓	✓	
Identify and implement mechanisms for collaboration activities outside of VG meetings		✓		✓	
Explore formal collaboration with other UN City Groups and potentially other international organizations		✓			✓
Determine structure and frequency of VG meetings		✓			
Consequences for methodological approaches, changing the statistical unit for measurement of output and prices, due to new regulations or other demands.	✓		✓	✓	

6. Conclusion & Next Steps – TBD

This section of the Plan will summarize the main takeaways of this Plan, describe how the VG will use it actively to manage its activities, and outline the next steps for moving forward including briefing UNSD, etc. As this section is really dependent on the results of our discussions of this draft at the meeting in Zagreb, we will delay completing this section of the Plan until after the meeting. It will be part of the final version to be completed 4-6 weeks after the VG 2016 meeting concludes.

Appendix A – Results of 30th Meeting Sessions on Options for the Future of the Voorburg Group

At the 30th meeting of the Voorburg Group held in Sydney, Australia on 21-25 September 2015, the VG held sessions that considered options for the future of the Group. It was based on an Options Paper distributed to all members prior to the meeting. This effort to address the future of the VG actually started at the 29th VG meeting in Dublin in 2014 when participants were asked to address the narrower issue of the content and organization of our meetings. This led to the decision to obtain input from UNSD and consider the future of the VG at the subsequent meeting in Sydney. You can reference the entire paper on the VG website; here is also a direct hyperlink: <http://www4.statcan.ca/english/voorburg/Documents/2015%20Sydney/3002.pdf>.

The paper was sent out shortly before the start of the 30th meeting and members were encouraged to read the paper and come prepared to discuss and prioritize the options presented by the Bureau in section 5 of the paper and to address the following questions:

- How would you prioritize the options for the content of the agenda (paragraph 5.1 of the Options Paper)?
- Are any of the options outside the mandate of VG (pg.2)?
- Do you have any additional options you would like to include?
- Do you have suggestions for changes in the format or organization of the meeting, which could increase discussion/engagement?

This appendix summarizes the results from these sessions as presented by the co-chairs on the last day of last year's meeting. These results helped inform the development of the draft Strategic Plan for consideration at this year's meeting. Hopefully, this information will refresh the memories of those who participated last year and provide a more complete sense of what was discussed for those who will be at this year's meeting but were unable to attend last year.

Process for Discussion of the Options Paper

We used the following process during the session on the future of the Group to discuss the questions listed above:

- We formed five brainstorming groups, asking countries that had more than one representative at the meeting to consider splitting up among more than one group; all discussion groups were targeted for idea generation/consideration, i.e. all had equal weight in the data-analysis.

- At least one member of the Bureau was in each group to facilitate discussion.
- Each group discussed the questions and brainstormed answers/thoughts. Answers/comments are written on sticky notes. Each sticky note was placed on the flipchart with the question the note applies to; participants were instructed that this could include the options identified in the paper but did NOT need to be limited to those options, etc.
- Each group could deliver more than one answer per question – not looking for consensus at this point in time but to generate ideas/diversity of opinions
- We also asked members to then walk around the room and place priorities on the options from section 5 as well as any new ones for the questions related to the options only. We also allowed time for clarification of any ideas prior to this placing of priorities.
- After the session, the Bureau analyzed the input and summarized results for further consideration at Friday morning’s planning session.

Results of the Option Paper Session

First, the table at the top of the next page shows the results of the work done in answering the first question on prioritizing the options contained in section 5.1 of the paper distributed prior to the meeting. They are listed in order of the options that got the most mention – note that participants were able to identify what level of priority they placed on each option. By far, the highest number of “votes” went to “updating sector papers; keeping them up-to-date as circumstances change” and to “cross-cutting topics”, with the former having the highest number of priority 1 mentions and the latter having the highest number of priority 2 mentions and the second highest number of priority 1 mentions. Note that six other options received at least one priority 1 mention, while two received no priority 1 mentions, although one of those did received several priority 2 and/or priority 3 mentions. (N.E.S. stands for “not elsewhere specified”.)

Future Options Results – from the VG 2015 meeting

Option	Priority 1	Priority 2	Priority 3	N.E.S	Total
Updating Sect.papers	17	4	3	1	25
CC-topics	7	13	2	1	24 (or 23)
Guidance papers	6	7	2	0	15
SNA needs	2	2	8	1	13
Dev. Sup	2	4	6	1	13
VG material – pres/org	4	4	3	0	11
Classification	0	3	4	0	7
ISP	3	2	1	0	6
Prev. issue papers	1	1	0	0	2
New. Reg	0	0	1	0	1

The following list provides suggestions received in response to the third question regarding additional options that were not mentioned in the paper that members wanted to include and the priority assigned to each:

- Answer questions that go to heart of constant quality – document/determine guidance on quality adjustment, bundling, reselling – not just discussion but actual guidance & applications (priority 1)
- Need to address the current mandate & specifically address outstanding issues (2 mentions – priority 1)
- Reorganizing existing papers into specifics of the industries; toolbox of methods of appropriate to specific market conditions (priority 1)
- Update material/bring in new methodologies (alternative data sources and methods to make them work for intended purpose) (priority 2)
- Consider if there are any further issues to address; if there are no outstanding issues, wrap up [work of VG] (priority 2)
- Quality adjustment – now that basic PPIs have been developed, we should tackle quality adjusting these prices (priority – other)
- Implementation guidance through use of “Maturity Grid” and linkage to cross-cutting topics (priority – other)

The following is a list of the suggestions received for changes to format or organization of VG meetings:

1. Start presentations with a review of key definitions that are included in the session (e.g., industry vs. product)
2. Wider representation on the Bureau
3. Smaller group discussions (9)
4. Send a VG member to the Wiesbaden Meeting (2) other city groups
5. Reschedule to every other year (2)
6. Continue format used for bundling – present paper, have discussion, table questions (4)
7. More practical aspects
8. Always do introductions round the room
9. Invite more countries
10. More time for discussion
11. Collaborative papers – session leaders also bringing everything together (see 6 above)
12. On-line discussion forum
13. Hard copies of late presentations/papers
14. Mini-presentations – English speakers last to eliminate duplication (easier to change on the fly)
15. Eliminate good better best
16. Include merchanting
17. Invite more national accounts and classification people

At the Friday morning planning session, these results were presented and then the co-chairs presented the following information for discussion by participants:

First, the co-chairs presented the following main takeaway from the session on purpose of the VG:

- The membership still believes our overall goal of the VG is to establish an internationally comparable methodology for measuring the constant dollar outputs of the services industries.
- However, the environment in which our best practices and guidance were first developed has substantially changed in recent years, especially with the emergence of alternative data sources and increasing questions about the role/need for [traditional] surveys.

As such, the Bureau presented the following new objective to supplement the current mandate:

- VG will update its best practices to account for the rapidly changing economy and its impact on our traditional statistical measurement practices. This especially includes

attention to the variety of alternative data sources that can be used to generate accurate reliable service statistics that continue to allow cost effective measurement of the constant dollar outputs of the services industries.

Assuming this new proposed objective is accepted by the membership in some form, the Bureau noted the following items will need to take place and be planned for:

- Need to augment our historical sector papers to include new sections for alternative data sources, fitness for use, efficiencies, limitations, etc.
- Develop Strategic Vision/Plan that lays out future work and emphasizes what remains to be done to say that the VG legacy is complete
- Knowledge transfer still an important part of VG objectives
- Next year's suggested agenda topics will reflect this approach

In addition to this, the Bureau suggested that some consideration be given to the following changes in our approaches to various parts of the work of the VG:

- Cross-cutting topics need to result in guidance papers that relate to overall VG objective
- New content development framework for Revised Sector Papers
- More use of small group discussions, collaborative approaches to papers and presentations, and use of panels where appropriate – including guidelines for how these will work in alignment with VG needs
- Continue Poster Sessions as efficient way for transfer of knowledge and sharing innovations
- Keep Thesaurus & Glossary up-to-date
- More discussion/collaboration between meetings – conference calls, etc.
- NOTE: We agreed to postpone any discussion about the changing the frequency of VG meetings until we had a draft Strategic Plan to consider.

These items became input to the work plan part of the Strategic Plan and/or items for inclusion on the agenda for this year's meeting.

After the presentation of this material, there was a wide-ranging discussion that resulted in some changes that are reflected in the choices made in the mission, objectives, and work plan sections of the draft Strategic Vision/Plan. Rather than repeat those changes here, we encourage you to just read the Plan and the changes should be evident. Overall, the general thrust of what the Bureau presented for consideration by the membership was accepted with some the changes mentioned here.

Appendix B – Voorburg Group Content Development Framework (CDF)

In 2006, the Voorburg Group adopted a Content Development Framework to guide the Group’s work on different Service Sector industries. The CDF is what established the VG approach of developing “mini-presentations”, separately done on turnover/output and producer prices, and “sector papers”, covering best practices for prices, outputs, and classifications. This Appendix reproduces the information on the CDF found in the Meetings part of the permanent website and more detailed information on the goals and process for “mini-presentations”, “sector papers”, and “revisited sector paper”. Note that starting in 2012 the VG introduced the concept of “updated sector papers” as well, which updates work on a previously completed sector paper in response to changes in the economy or industry since the original sector paper was written. “Updated sector papers” differ from “revisited sector papers” in that the latter focused on creating a sector paper for an industry which the VG had previously studied prior to starting the use of the CDF.

(NOTE: NOT SURE THIS APPENDIX IS NEEDED BUT I DO THINK IT DOES A BETTER JOB THAN WHAT IS ON THE PERMANENT WEBSITE ONLY. LET ME KNOW WHAT YOU THINK.)

Commented [FD-B15]: This is the current CDF. For now, we left it here for ease of access as we move into VG2016, but Jakob and I discussed how in the final Strategic Plan we might turn this Appendix into the information on the new CDF, assuming we come to final agreement on that at the Zagreb meeting or shortly thereafter.

2006: Content Development Framework (CDF)

The purpose of the CDF is to provide a much more structured approach to developing mini-presentations and sector papers covering different service industries and for organizing the format and conduct of the Voorburg Group meetings.

The CDF essentially calls for industry specific papers to be prepared by participating countries according to a predefined template, including specific methodological guidelines, and requires that the papers cover pre-established topics related to the Group's three main domains of interest (turnover, prices and classification), as well as the national accounting perspective.

This approach ensures that the content of the papers are more comparable and standardized, thus facilitating the exchange of knowledge and expertise as well as discussion of issues. The papers are presented, critiqued, and discussed in **Mini-Presentations** during the Group's meetings (and available on the Group's website).

This substantive content material as well as the output from the discussions, in turn, serve as key inputs to produce, discuss, and adopt **Sector papers** (usually presented in the following year)⁶ that present a set of key methodological guidelines for the development and production of Service industry statistics. As concrete deliverables from the Voorburg Group meetings, these sector papers are intended to become reference material for statisticians that oversee the development and compilation of Service Sector statistics in the various countries and international organizations.

Primers

Mini-Presentations

The mini-presentation (output and prices) is part of the Voorburg Group Content Development Framework (CDF). The purpose of the CDF is to provide a structured approach to developing mini-presentations and sector papers.

The mini-presentation covers a given industry or parts of an industry. The presentation is given by invited participants and serves as a basis for discussion of the issues involved.

The CDF essentially calls for industry specific papers to be prepared by participating countries according to a predetermined template, including specific methodological guidelines. It further requires that the papers cover pre-established topics related to the Group's three main domains of interest (**output, prices and classification**) as well as the **national accounting** perspective.

⁶ In some cases, the VG has decided that an industry is not ready yet for a Sector Paper and either requires more study and discussion or more experience among member NSOs. For example, this was the case with distributive trades (wholesale and retail trade), which the VG studied for several years before writing and approving a Sector Paper.

This approach ensures that the content of the papers are more comparable and standardized, thus facilitating the exchange of knowledge and expertise as well as discussion of issues. The papers are presented, critiqued and discussed in mini-presentations during the Group's meeting.

Sector Papers

The process leading up to a **sector paper** for a given industry is sequential starting in year 1 with mini-presentations (on prices, output and classification) from invited participants. The substantive content materials as well as the output from the discussions, in turn may serve as key inputs to produce, discuss and adopt **sector papers** (presented in year 2).

The sector paper presents a set of key methodological guidelines for the development and production of the service industry covered. As concrete deliverables from the Voorburg Group meetings, these papers are intended to become reference material for statisticians who oversee the development and compilation of Service Sector statistics in the various countries and international organizations.

Revisited Sector Papers

This term refers to the Voorburg Group production process in which the sector paper for a given industry is an output. The preparation of **re-visited sector paper** entails building upon previously issued mini-presentations on prices (presented prior to 2006) for an industry / industry group by adding turnover / output details. The re-visited sector papers follow the revised guidelines for the format and content of Sector Papers.

Appendix C – List of Sector Papers and Other Accomplishments of the Voorburg Group Since 2006

This Appendix provides access to an Excel spreadsheet with a list of Sector Papers and related materials developed by the Voorburg Group since the renewal of its mandate in 2005. It demonstrates that the VG has largely accomplished the work plan first established that year – those industries for which we have not yet done a sector paper are typically those for which NSOs either have sparse experience and/or for which the Group has decided are not significant enough yet in the global economy. In addition, there are some areas like Human Health Activities where only one country has extensive experience with SPPIs and thus the Group decided that the country paper stood on its own rather than needing to write a sector paper as well. To access the

Excel spreadsheet, just double click on this object icon:



Commented [FD-B16]: Not sure if this will work in the PDF version that will get posted on meeting website so when I send this ot members I will attach both WORD version and PDF version.

Among the industries that the Voorburg Group has studied over the past eight years but for which the Group chose not to write a sector paper are:

6311 Data processing, hosting and related activities

6312 Web portals

7210 Research and experimental development on natural sciences and engineering

7220 Research and experimental development on social sciences and humanities

(NOTE: Although a sector paper was not written, the VG did study R&D industries in 2010.)

7740 Leasing of intellectual property and similar products, except copyrighted works
(The VG did study this area at VG2014 and considered an Issue Paper at VG2015 but decided the area was still not ready yet for a sector paper)

8610 Hospital activities

8620 Medical and dental practice activities

8690 Other human health activities

(NOTE: Human health activities was studied at VG2014 but it was decided that not to do a separate sector paper – see above.)

In 2005-06, the Voorburg Group did some work on identifying industry groupings that would be targeted for potential study toward writing of a sector paper. There were 59 of these groupings initially but once discussed by the Group the targets were modified though the current Bureau has been unable to identify exactly how. Nevertheless, there are industries listed among the 59 industry groupings that have never been targeted for study by the Group. These do tend to be those with which NSOs have very sparse

experience to date, especially in regard to SPPIs. More information is available on those industries upon request.

