CROATIAN EXPERIENCE IN DEVELOPING SPPIs

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SERVICES SECTOR IN CROATIA

- Great economic importance:
  - Over 60% of business entities registered in service activities
  - Over 50% of employees and of turnover
SERVICES SECTOR IN CROATIA

- services sector recently covered by CBS

- Turnover

- SPPIs

2008 Gradual development

Distributive trade
Hotels and restaurants

2011 Other services

Gradual development
STARTING POINTS IN SPPI DEVELOPMENT

• Started in 2008 within the MB Phare 2006 Project
• Centralized approach – one department in CBS covers all SPPI
• New area of work: no experience with price indices or with other services sector
• Lack of resources - focus on the activities required by STS Regulation
• Started with the simplest service activities (only few companies) - air transport of passengers (H 51), universal postal services (H 531) and telecommunications (J 61)
• Introduction of other service activities step-by-step based on the experience gained from the first ones
## DEVELOPMENT OF SPPIs IN CBS OVER YEARS

<table>
<thead>
<tr>
<th>Year</th>
<th>Activities</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
<td>H 51 Air transport, H 531 Universal postal services, J 61 Telecommunications</td>
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<tr>
<td>2009</td>
<td>H 494 Freight transport by road, H 521 Storage services, H 5224 Cargo handling</td>
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<tr>
<td>2010</td>
<td>H 501 Sea and coastal water passenger transport, H 502 Sea and coastal water freight transport, N 78 Employment</td>
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<tr>
<td>2011</td>
<td>N 80 Security and investigation activities, N 812 Cleaning activities</td>
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<tr>
<td>2012</td>
<td>J 62 Computer programming, consultancy and related activities, J 63 Information service activities</td>
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<tr>
<td>2013</td>
<td>M 691 Legal activities, M 692 Accounting, bookkeeping and auditing activities; tax consultancy</td>
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<tr>
<td>2014</td>
<td>M 711 Architectural and engineering activities and related technical consultancy, M73 Advertising and market research</td>
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<tr>
<td>2015</td>
<td>J 58 Publishing activities, N 79 Travel agency, tour operator and other reservation service and related activities</td>
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<tr>
<td>2016</td>
<td>M 702 Management consultancy activities</td>
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SUPPORT BY EU PROJECTS

- Several EU projects: MB Phare, IPA, EG
- Considerable support
- But also obligation
PHASES OF THE DEVELOPMENT PROCESS

- Preparatory phase
- Defining the methodology
- Pilot survey
- Set-up of permanent survey
PREPARATORY PHASE

• Familiarizing with respective service activity:
  – research of services produced by using classifications
  – size and structure of the services sector (VAT, SBR, Financial Agency) – the distribution of units by size in terms of number of employees and turnover
  – study of available methodological materials:
    • Eurostat-OECD Methodological Guide for developing Producer Price Indices for Services
    • Voorburg Group website
    • CIRCA BC group
  – establishing contacts with market representatives, associations and main companies
DEFINING THE METHODOLOGY

- Breakdown of groups of services
- Pricing mechanisms and pricing methods
- Treatment of quality changes
- Weights
- Index formulae
- Sample frame and sample design
PILOT SURVEY

• To get feedback information on all methodological elements and to identify if something should be corrected and improved
• A good base for future regular survey
• Requires serious work (sample design, questionnaire, data processing, assessing results)
• In some cases – preliminary questionnaires to find out about respective service activities
• Important to evaluate results from pilot survey
SET-UP OF PERMANENT SURVEY

• Web-based questionnaires and classical paper questionnaires
• Web application for data collection, data checking, data editing and calculation of indices
• Questionnaires for all SPPI are conceptually harmonized and designed in a similar manner
• Invitation letters – information on survey and gathering contact information from reporting units
CHALLENGES ENCOUNTERED

• Initial challenge – to get familiar with price index concept and services sector
• Difficulties in establishing contacts and arranging meetings with associations and companies
• Data providers do not understand what is meant by a particular phrase in the classification
• Statistical Business Register – not accurate, missclassifications

• Despite all mentioned above, response rate for SPPI surveys is rather high → 81%
FUTURE PLANS

• To introduce currently missing SPPIs according to STS Regulation (NACE Rev.2: M 702, H 532, M 712)
• To revise some existing surveys
• Regular transmission of all series to Eurostat
• Better use of results in National Accounts
• Better promotion of statistics
Thank you!

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