GLOBALIZATION IN SERVICES
Some Perspectives from National Accounts and Producer Price Index for Services
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INTRODUCTION
- Changing face of globalization
  • Since the early 19th century, the trade and communication costs have fallen dramatically
  • Now and in the future, face-to-face costs will decline due to technology. Globalization will enter a people-centric service sector
  • Finland is an example of a small and open economy which benefits from global trade

CHALLENGES FOR PRICES:
SOFTWARE PUBLISHING SERVICES
- Players all cost the output, exchange rates, taxation, pricing strategies
- Role of global distribution channels in pricing decisions, possible sources for price information, coordination of international organizations, e.g. OECD, IMF, Eurostat
- No separate price indices for domestic and export services

ADVERTISING SERVICES
- Lack of price information for online marketing
- Lack of import price index

TRADE SERVICES
- Lack of price information for trade services
- Lack of import price index

CHALLENGES FOR NATIONAL ACCOUNTS:
- In free2play games the output comes from in-game sales > balanced output, export, household consumption and how to classify in-game sales in the SUT
- Advertising and marketing > how to measure the right shares of different kind of services
- Role of global distribution channels > coherence and quality of source statistics
- How to choose the best price indices for volume calculations

CASE EXAMPLE – ISSUES AND SOLUTIONS IN FINNISH NA AND SPPI

CONCLUSION
- Development of service statistics: output by product, export and import prices, digital services etc.
- International guidelines together with different statistical domains: SNA, volume indices, BEA, prices
- International data sharing: MNEs, LCUs, international asymmetries
- In-house co-operation at national level, e.g. deflation group in Statistics Finland