



# ISSUES PAPER ON ISIC 5510

**Voorburg Group Meeting 2020, Dorothee Blang, FSO of Germany**

# Industry classifications

ISIC 4.0		NACE rev. 2		NAICS 2017		JSIC 12	
5510	Short term accommodation activities	55.10	Hotels and similar accommodation	721110	Hotels (except Casino Hotels) and Motels	7511	Hotels
		55.20	Holiday and other short-stay accommodation	721120	Casino Hotels	7521	Common lodging houses
				721191	Bed-and-Breakfast Inns	7591	Lodging facilities of companies and associations
				721199	All Other Traveler Accommodation	7592	Resort clubs

# Market conditions and constraints

- » **Accommodation activities have very different importance within the service sector (depending on the importance of tourism for the national economy)**
- » **In general, hotels are much more important within the industry than other types of accommodation. Therefore the focus of price measurement is usually on hotel accommodation**

# Specific characteristics of the industry

- » For the hotel sector an analysis of the customers is important
  - » B2Export can play an important role,
  - » B2B is important as a preliminary service e.g. for tour operators
  - » B2C plays a smaller role than one would expect
- » Customers usually research and book online  
The industry is prepared for this and has digitalized its processes
- » Sharing economy mainly competes with accommodation without regular room service and meals
  - » These are less significant within the industry. This is one reason why the sharing economy is not so strongly in focus
  - » to protect companies and the housing market, attempts are being made to legally restrict the provision of private housing

# Measurement of turnover/output

Short term statistics	Structural business statistics
<ul style="list-style-type: none"> <li>» Monthly or quarterly</li> <li>» Few survey characteristics (turnover, employees)</li> <li>» Publication in the form of indices (nominal and real)</li> <li>» (SPPIs are used to deflate nominal results)</li> <li>» Surveys and/or administrative data</li> </ul>	<ul style="list-style-type: none"> <li>» yearly</li> <li>» Considerably larger range of characteristics</li> <li>» Publication in form of absolute values</li> <li>» Surveys and/or administrative data</li> </ul>
<p><b>Most important users are:</b>  <b>National accounts, central banks, ministries (tourism, labor and social affairs, transport),                      economic research analysts and scientists</b></p>	

The adjacent information on sales/output measurement applies for Mexico and EU-countries

# Measurement of SPPIs

## Common features:

- » Inclusion of reporting units regardless of their economic focus → Product based indices
- » accommodation in hotels is the product for which the price is measured
- » Sample size in Spain and Hungary very comprehensive
- » Pricing method: average values of transaction prices
- » Aggregation: in the smallest aggregate geometric mean of unweighted ratios of current prices to base prices, in higher-level aggregates Laspeyres
- » Index structure: by type of customer, (by hotel category,) by region

# Measurement of SPPIs

## Differences:

- » **Weighing: separate weighing schemes for every year of the month in Spain**
- » **Updating of weights and revisions**
- » **Definition of the transactions that are included in the index**

# Evaluation

- » Pricing method
  - » Averages of transaction prices preferable for the product
- » How do measurement of turnover and prices fit together?
  - » The product is very narrowly defined in all index concepts presented.
  - » numerous services with lower sales significance are not included in the price measurement.
- » Influence of the digitalization of distribution channels
  - » Companies of the industry are fit for the distribution channels of the digital economy
  - » This makes prices extremely volatile and difficult to capture.
  - » No influence on the measurement of turnover
  - » The sharing economy competes with parts of the industry. However, this does not seem to affect the statistical measurement of sales and prices.

# Questions?

## Additional comments?

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