

Voorburg Group 5-year strategic plan – proposals for consideration

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20 – 23 September 2021

Background

- Voorburg Group has been working against the 5-year strategic plan covering the years 2017 to 2021
- Requirement to set out a new strategic plan covering 2022 to 2026
- Voorburg Bureau held several meetings to begin the update process
 - Now in a position to report back thoughts and get the input from Voorburg Group members
- Aim will be to finalise the new strategic plan by end 2021, and adopt ready for 2022 onwards

Introducing Voorburg Bureau members

Bonnie Murphy (co-chair)

Marcus Friden (co-chair)

Dragos Ifrim

Craig Taylor

Erika Barrera

Christian Puchter

Ville Auno

Ramon Bravo

Ruth Vaizner

Moegi Inoue



Work so far...

- The Bureau has proposed updates to the following:
 - **Mission** – *the unique reason why the Voorburg Group (VG) exists now and into the future, declaring what the VG does, for whom, and why as succinctly as possible*
 - **Vision** – *defines what the VG aims to achieve over the time horizon of the 5-year plan, answering the question of what success looks like*
 - **Objectives** – *identifies the key objectives (currently five) which the VG will do, for whom, and why over the time horizon of the plan*
 - **Work plans** – *sets out the key workstreams that will underpin the key objectives set out. Each work plan will link to at least one objective, but may link to more than one.*

The ask...

- For now the focus is on agreeing on Mission, Vision, Objectives and workplans
 - Other sections of the strategic plan will be updated in due course and circulated to VG members for comment before the end of 2021
- Please suggest amendments, deletions or additions to what has been proposed
 - Ideally either in advance of the conference or during the conference so we can take wider views and agree

Please circulate any written comments to
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Proposed Mission

*The mission of the Voorburg Group on Services Statistics is to establish and maintain an internationally comparable methodology for measuring output and producer **and import** price indexes for the service **and service-related** industries. We focus on the development of concepts and methods, the sharing of best practices, and identification of 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 **related** product areas.*



Vision

- Current Vision statement:

The Voorburg Group is a premier source of guidance and best practices for the development of measures of output and producer price indexes for services industries.

- Proposed new Vision statement:

*The Voorburg Group is a premier source of guidance and best practices for the development of measures of output, producer **and import** price indexes for services **and service related industries.***



Proposed objectives

(full proposed text included in supporting documentation circulated and / or in Annex A)

A. Voorburg group will update its best practices to account for the rapidly changing economy and its impact on our statistical measurement practices

- *attention to the variety and also to the risks 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*
- *guidelines on how countries accurately measure output and prices during critical economic shocks*
- *pay attention towards new regulations or other demands which influence the statistical unit to be used for measurement*

B. We will produce guidance papers on how to approach measurement challenges

- *Guidance on how to tackle cross-cutting methodological issues -> particular challenge with services*
- *Best practice and guidance on the use of innovative methods used effectively to capture quality change (particularly in fast-changing industries)*

C. We will provide a forum for information exchange on best practices and emerging issues through formal meetings and active collaboration throughout the year

- *Provide an efficient forum for members to obtain feedback on work they are doing of potential interest to other NSOs (considering diverse needs of its members according to the level of maturity of their statistical system)*
- *Continue with variety of methods at conferences*
- *Focus on knowledge transfer and collaboration between meetings -> taking opportunities of new ways of collaborating virtually in particular*

D. We will focus on outreach

- *Improve outreach with both other City Groups and individual countries, using links with other international organisations (such as UNSD, IMF, Eurostat and OECD) to allow VG to both learn about the progress being made in other areas and to spread the VG's best practices to other participating countries*
- *Consider how we can support methodological alignment between business prices and consumer prices where appropriate -> possibly through collaborating with other City groups*

E. We will promote the Group's understanding of the concepts and requirements of National Accounts in the measurement of output/supply of services, both at current prices and in volume terms

- *Promote proper use of the concepts of national accounts in the documents produced by the VG*
- *Practical requirements of National Accounts will be explicitly considered in the documents produced by the group*
- *Encourage participation of the National Accounts representatives in the VG meetings*

Work plans of the group for 2022-2026

*(detail of each work plan included in
supporting documentation circulated
and / or in Annex B)*

Objective	A	B	C	D	E
<u>Work Plan tasks</u>					
i. Identify and share best practices for use of alternative data sources in measurement of output and producer price indexes for services industries and products	✓	✓			
ii. Set out an engagement plan for the Voorburg Group that aims to maximise collaboration between members and making the most of new collaborative tools to support this ambition			✓	✓	
iii. Explore ongoing collaboration with other UN City Groups and/or other international organizations				✓	
iv. Provide input to changes in classification systems and other official international guidance (e.g. manuals) related to the measurement of services output and producer prices	✓			✓	
v. Make obtaining review of sector papers and/or country industry papers by National Accounts staff a standard practice of producing these documents				✓	✓

Objective	A	B	C	D	E
<u>Work Plan tasks</u>					
vi. Ensure that National Accounts experience is represented directly in VG meetings					✓
vii. Produce guidelines for dealing with economic shocks within key statistical data.	✓	✓			
viii. Share information about the development of new and innovative methods for capturing quality change within price indices and develop guidelines on best practice in different situations		✓			
ix. Help support providing guidance on Trade in Services export and import prices (Trade SPPIs)	✓	✓			
x. The Voorburg Group will have a clear ambition to establish several taskforces to be taken forward by the group each year to increase pace of work			✓		

Objective	A	B	C	D	E
<u>Work Plan tasks</u>					
xi. The Voorburg Group to be a source of guidance to help developing countries in their production of output and price statistics	✓	✓		✓	
xii. The Voorburg Group should consider the potential for lessons learned for methods best practice between SPPIs and consumer prices, identifying areas of best practice where appropriate	✓	✓			
xiii. Continue to use the Voorburg Group as a mechanism for increasing National Accounts understanding by members					✓

Annex A

written text for each objective

Objective A

Voorburg Group will update its best practices to account for the rapidly changing economy and its impact on our statistical measurement practices. This especially includes attention to the variety and also to the risks 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. Based on the recent experience, an additional focus on potential difficulties in the statistical production process under exceptional circumstances (e.g. worldwide financial crisis and worldwide pandemic situations) lies on the development of guidelines on how countries accurately measure output and prices during such critical economic shocks. 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).



Objective B

- **We will produce guidance papers on how to approach measurement challenges.** Many services industries have measurement challenges. Guidance on how to tackle cross-cutting methodological issues has been provided in recent years and has proven to be invaluable. Moving forward, in addition to continuing to provide guidance on cross-cutting methodological issues, a particular emphasis will be given to providing guidance and best practice on innovative methods used to effectively capture quality change, which is a particular measurement challenge in fast-changing service industries. Any topics chosen should meet clear criteria to ensure they align closely to the overall VG mission, as otherwise there is a risk that the Group could lose focus against its core mission and delve into the domain of other international groups. Outcomes from topics addressed should be in the form of guidance papers, sometimes offering a range of best practice solutions for different NSOs to consider.

Objective C

- **We will provide a forum for information exchange on best practices and emerging issues through formal meetings and active collaboration throughout the year.** The VG will continue to provide opportunities to share information on emerging issues. It should provide an efficient forum for members to obtain feedback on work they are doing of potential interest to other NSOs. This will include consideration of how best to meet the diverse needs of its members according to the level of maturity of their statistical system. A variety of methods will be used to gather the feedback of delegates, such as poster sessions, collaboration on cross-cutting issues and small group discussion. The VG will keep up a certain degree of activity of knowledge transfer and cooperation between the meetings as well, by the use of working groups and new forms of collaboration such as virtual discussion groups and other similar mechanisms. As with objective B, clear criteria are needed to decide which topics of practical experience should be covered in keeping with the VG Mission.

Objective D

- **We will focus on Outreach.** The VG will improve outreach with both City Groups and individual countries. Outreach is important because it allows us to both learn about the progress made in other areas and to spread the VG's best practices to other participating countries. Other international entities such as UNSD, IMF, Eurostat, and OECD could play an important role in promoting VG's outreach efforts and VG will actively seek their support. The VG will also consider how we can support methodological alignment between business prices and consumer prices, possibly through collaborating more closely with other City-Groups and forums.

Objective E

- **We will promote the Group's understanding of the concepts and requirements of National Accounts in the measurement of output/supply** (**depending on the scope defined by the UN Statistical Commission*) **of services, both at current prices and in volume terms.** We recognize the importance of the Group's knowledge of the National Accounts concepts and the Supply Use Framework in which measures of services need to fit. The misalignment of methods for business and consumer prices often leads to challenges when volume estimates are confronted within the Supply Use Framework. These concepts are the foundation for the development of internationally comparable data for the services sector. In addition, we consider as a very relevant factor in the discussion of methods for measuring services, the evaluation of the degree to which these meet the requirements of national accounts. Therefore, we will promote the proper use of the concepts of national accounts in the documents produced by the VG; practical requirements of national accounts, both by national statistics offices and international organizations, will be explicitly considered in the documents produced by the Group. We will encourage the participation of national accounts representatives in the VG meetings.

Annex B

detail of each proposed work plan

Workplan (i)

- **Identify and share best practices for use of alternative data sources in measurement of output and producer price indexes for services industries and products.** New data sources/techniques have become available. The members should share practical experiences, concerning new data sources and impact on the measurement of output and prices among different service industries. This should include sharing examples of where we are using alternative sources. The focus should be placed on potential data sources and the limitations or advantages of use for specific services (what some call “fitness for use”). The Group should share best practices on the integration of traditional and alternative data sources such as the combination of survey and administrative data in the measurement of output and producer prices for services. Specifically, in relation to price indices, the group should also share information of where alternative price indices (such as the CPI) have been used in the compilation of SPPIs where direct data collection and compilation is not possible. 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 .
 - **Timing** - Ongoing

Workplan (ii)

Set out an engagement plan for the Voorburg Group that aims to maximise collaboration between members and making the most of new collaborative tools to support this ambition. It can be difficult to maintain the momentum of the VG between the meetings. The Group should identify how this can be improved, identifying opportunities for more open forums / collaborations between countries throughout the year. Collaboration may not necessarily be focused on topics of the next conference, but rather an open forum between countries to provide a wide network of support and guidance. The engagement plan will identify potential suitable communication mechanisms, making the most of new tools which have become more widely available in recent times. The engagement plan will also set out principles by which we will aim to support this collaboration between group members, with the onus on group members reaching out and engaging with each other rather than requiring the VG bureau to organise events. The engagement plan will also set out proposals for documentation so that it remains up to date and accessible.

- **Timing – establish a taskforce to prepare an engagement plan for Voorburg group members, setting out principles and identifying suitable tools to support this collaboration.**

Workplan (iii)

Explore ongoing collaboration with other UN City Groups and/or other international organizations (Ottawa, Wiesbaden, Eurostat, UNSD, OECD, IMF 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 VG-Bureau will establish a protocol for following the outputs from other city groups and international organizations and bring that information to bear on the work of the VG as relevant. This output should be communicated to the VG members. The VG Bureau will evaluate if direct and systematic contact with other City Groups and international organizations should be established.

- **Timing** – Ongoing

Workplan (iv)

Provide input to changes in classification systems and other official international guidance (e.g. manuals) related to the measurement of services output and producer prices. A key indicator of Voorburg Group's effectiveness and relevance is its past contribution to classification systems and international guides and manuals. The Group must continue to record consensus agreement on recommendations to classification changes or manuals to ensure the work of the Group is reflected in changes to international standards, methods and practices.

- **Timing** – Meeting notes from each meeting will note any actions where VG feedback should be passed to an international organization or international working group for consideration

Workplan (v)

Make obtaining review of sector papers and/or country industry papers by National Accounts staff a standard practice of producing these documents. The CDF includes a section that considers alignment of the output and SPPIs to the National Accounting framework. As the SNA framework is the foundation of real and nominal measures of services output, this task will ensure VG practices and recommendations are appropriate for use in the National Accounts.

- **Timing** - Ongoing

Workplan (vi)

Ensure that National Accounts experience is represented directly in VG meetings. A This includes if needed, inviting National Accounts staff from a meeting's host country to participate and possibly considering targeting invites for National Accounts experts with specific areas of expertise to contribute to sessions. This can also include ensuring there are members with National Accounts experience within the Voorburg Group itself and even the bureau. In future meetings, delegates should be asked about their areas of expertise (Classification, Output measures, SPPIs, and/or National Accounting) during registration. With this information, the Bureau will be in a better position to identify any knowledge gaps in the participants of a meeting. The host country may be asked to supplement the Group with the appropriate knowledge base.

- **Timing** – Bureau will review participation by expertise after registration closes and will communicate with the host country if help is needed to supplement gaps.

Workplan (vii)

Produce guidelines for dealing with economic shocks within key statistical data. This includes capturing lessons learned from the group. During the course of recent global pandemic, many NSOs were impacted, both by large movements in the underlying data, but also in the collection of the data itself. For the latter, the impact on some countries from the pandemic meant that in some cases traditional data collection techniques (such as in person collection of price information) was severely impacted or stopped all together. NSOs had to react to a rapidly changing landscape, and throughout will have learnt a number of lessons, both positive and what could have been done better. Capturing information on how countries reacted and adapted, with guidance on how to mitigate against this for the future and / or providing a template to follow should be useful for many NSOs

- **Timing** – Establish a taskforce to pull this information together??

Workplan (viii)

Share information about the development of new and innovative methods for capturing quality change within price indices and develop guidelines on best practice in different situations. In recent years the explosion of technology and new working practices has had a big impact on a number of industries, particularly Information and Communication Technology (ICT) services. Countries often have to develop new and innovative methods for capturing this information well, and so the Voorburg Group could provide a specific focus to helping countries share knowledge and experience. Where possible, the Voorburg Group could also aim to agree and provide information on best practice in different circumstances, providing VG members and the wider community a template to guide methods development.

- **Timing** - Ongoing

Workplan (ix)

- **Help support providing guidance on Trade in Services export and import prices (Trade SPPIs)**

Workplan (x)

The Voorburg Group will have a clear ambition to establish several taskforces to be taken forward by the group each year to increase pace of work.

Taskforces are an effective of bring a smaller group of willing members together to focus on specific topic areas. The topic areas are normally included as an agenda item at the annual conference, and so the taskforce helps ensure work moves forward at pace. It is also a great experience for those involved, helping develop members knowledge and experience in different areas. It also establishes closer links and networks between Voorburg Group members.

- **Timing** – annual assessment taken forward by the bureau each year to ensure several taskforces have been established between conferences



Workplan (xi)

The Voorburg Group to be a source of guidance to help developing countries in their production of output and price statistics. Given the wide array of experience and knowledge within the Voorburg Group (both current and past members), there has been a wealth of useful information captured and this will continue to grow in the years to come. Through collaboration with international organisations and capitalising on outreach opportunities, the Voorburg Group has the potential to support developing countries in their production of output and price statistics.

- **Timing** - Ongoing



Workplan (xii)

The Voorburg Group should consider the potential for lessons learned for methods best practice between SPPIs and consumer prices, identifying areas of best practice where appropriate. While data sources and methods are naturally different between business prices and consumers prices, sometimes the large degree of inconsistency can cause problems. This is most obvious when deflators on the supply and use side are confronted through the Supply Use Framework, as this can lead to an imbalance (even after the conceptual differences such as revaluations have been taken into account). The Voorburg Group should consider how development in one area could help inform the other, possibly working with other city groups to establish best practice.

- **Timing** - Ongoing

Workplan (xiii)

Continue to use the Voorburg Group as a mechanism for increasing National Accounts understanding by members. There has previously been some useful information produced by the Voorburg Group to improve members understanding of the National Accounts. A clear action is therefore to identify what is available and agree as a community what other gaps in knowledge need to be filled. Once any gaps are identified, the VG will need to commission work in order to fill the gaps.

- **Timing – small taskforce to review National Accounts material and identify what else is required.**