

Strategic Plan for the Voorburg Group on Services Statistics 2017-2021

Prepared by the co-chairs of the Voorburg Group (past and present), Jakob Kalko, David Friedman and Mary Beth Garneau with considerable input from members of the Voorburg Group Bureau and delegates who participated in the 2015 and/or 2016 meeting.

Contents

- 1. Introduction 3**
- 2. History of the Voorburg Group and the challenges facing the Group..... 3**
 - 2.1 Creation of the Group: 1986-2004..... 4
 - 2.2 Strategic Vision and Content Development Framework: 2005 – 2010 5
 - 2.3 Evolving Needs: 2011 to 2016 6
 - 2.4 Future of the Voorburg Group: Beyond 2016 7
 - 2.5 SWOT analysis – Voorburg Group..... 8
- 3. The Voorburg Group’s Mission 10**
- 4. The Voorburg Group’s Vision Statement..... 10**
- 5. Voorburg Group Five-Year Objectives 11**
- 6. Work Plan of the Group for 2017-2021 12**
- 7. Conclusion & Next Steps 18**
- Appendix A – Results of 30th Meeting Sessions on Options for the Future of the Voorburg Group 20**
- Appendix B – List of Sector Papers and Other Accomplishments of the Voorburg Group Since 2006 25**

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 the 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 previous co-chairs, David Friedman and Jakob Kalko, drafted this plan for the 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, they reviewed the results from the 2015 meeting sessions on the future of the Group. For more information on those sessions, you can reference Appendix A. At the 2016 meeting, a draft plan was presented for review and discussion with the intention to finalize it by the end of 2016 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
- A Vision Statement
- 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 needed 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.)
- Conclusions/next steps

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 to better understand how prior

experience of the Group plays a role in the choices we make in setting the objectives and work plan for the next few years. It ends with a summary of the strengths, weaknesses, opportunities and threats which is intended to make the drivers for change clear.

2.1 Creation of the Group: 1986-2004

The VG is the oldest of the [city groups](#), each named after the city where a Group first met. The Group originally started in response to a request in 1986 from the UNSC for assistance in developing services statistics. Since its inception, the Group has consisted primarily of experts from national statistical offices (NSOs) with 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. Since 1997 the Commission regularly receives progress reports from each of the city groups and discusses their work. 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 active.

The Voorburg Group was founded to help carry out conceptual and development work in the measurement of services statistics. In the beginning, this included 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 international standards themselves. Ever since then, VG members have attempted on occasion to gather input on potential revisions to both the International Standard Industrial Classification (ISIC) and CPC for sharing with the UNSD.

2.2 Strategic Vision and Content Development Framework: 2005 – 2010

In response to concerns about its broad agenda, the VG undertook its first intensive review of the focus and modalities of the Group in 2004. It produced a [Strategic Vision](#) that has guided, in part, the work of the Group through the 31st meeting, with some modifications to the work plan in later years of that span. As a result of that 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 by 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.¹ The CDF calls for participating countries to present industry specific papers covering the Group's three main domains of interest (turnover, prices and classification), as well as the national accounting perspective. The papers are presented, critiqued and discussed during the Group's meeting. The content material as well as the output from the discussions, in turn, serve as key inputs to produce, discuss and adopt Sector papers 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. Both the sector papers and the industry papers from which they are derived are stored on [the VG website](#).

Since 2006, the Group has produced a large number of sector papers for ISIC industries in the services sector. 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. Appendix B includes a list of the Sector Papers completed through 2016.

¹ You can find a primer of the original CDF on the VG website at <http://www4.statcan.ca/english/voorburg/index.asp?page=primer.html> and the detailed templates in the paper presented at the 2006 meeting in Wiesbaden <http://www4.statcan.ca/english/voorburg/Documents/2006%20wiesbaden/papers/46.pdf>.

The work of the Group was not solely focused on the development of sector papers for each sector. Other supporting materials were also developed to address specific needs of the Group, including the [Thesaurus for Price Methodology](#), the [Glossary](#), and the [National Account General Methodology Paper](#). The latter has guided the VG's work on measuring real output using services producer price indices.

2.3 Evolving Needs: 2011 to 2016

The VG Sector Papers were always intended to be living documents and some have been updated as the relevant industry has experienced significant economic change. In 2012, the CDF was expanded to introduce the "Updated Sector Papers" concept, which involved the Voorburg Group's revisiting selected industry/industry groups in areas where the existing classifications are getting out of date and are no longer reflecting the business and marketing structures that exist in the various member countries' economies.

There is no doubt that VG efforts have made a significant contribution to development of best practices and standards and have contributed to the resolution of statistical and measurement challenges in the Services Sector. The most prominent example of this contribution is the use of the SPPI content from the VG Sector Papers as significant input to the second edition of the [Eurostat-OECD Methodological Guide for Development of Producer Price Indices for Services](#) (Published in December 2014). In terms of developing internationally comparable methodologies for measuring the deflated or constant dollar outputs of the service industries, The Voorburg Group has largely accomplished the Vision first established in 2005 for most services industries.

As challenging issues were raised through the Group's industry-based work, there has been a growing interest and focus on cross-cutting topics that began in earnest in 2011². 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. 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. But even just defining the issue and debating possible solutions has benefitted the Group as little formal guidance or documentation was found outside of Voorburg Group. In one case, Voorburg reached out to Ottawa Group for their input in the quality adjustment of services producer prices.

² 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 Globalization (2009), International Trade in Services (1987-1993, 1995-96, 1999, 2002, & 2004) and Short-Term Indicators (2008).

In recent years, countries have expressed an interest in having the opportunity to gain feedback from other NSOs on specific work they are doing and/or to share their best practices. The Group decided to experiment with an interactive poster session rather than formal presentations in plenary. This “experiment,” first conducted at the 30th meeting in Sydney, proved to be highly successful by generating good discussion and feedback for both presenters and observers alike. It allowed for a very efficient and dynamic sharing of best practices in small groups.

In the last five years, 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 membership³. 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 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.

2.4 Future of the Voorburg Group: Beyond 2016

While initial development work may be winding down for some of the long-term members, work is just beginning for 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. Despite the diversity of needs, there is still a strong sense from most participants that the meetings continue to provide continued value to its members.

Moving forward, 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. Best

³ 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.

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.

At the 30th meeting, a task force was formed to review 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 was presented at the 31st meeting in Zagreb. The task force is now finalizing the new framework based on the feedback they received at the 31st meeting.

2.5 SWOT analysis – Voorburg Group

In 2014, the Voorburg Bureau started gathering feedback from Voorburg Group delegates to use as input to this Strategic Plan. That feedback is summarized in the table below as an assessment of the Group's Strengths, Weaknesses along with identification of Opportunities and Threats moving forward.

Internal origin	<p>Strengths</p> <ul style="list-style-type: none"> • Group membership, diverse range of backgrounds and experiences • Group history, large amount of existing work to build upon • Informal atmosphere, high degree of “group-trust” – leads to good participation • Easy to get volunteers to contribute if experiences are available • Culture for producing papers, in connection with (nearly) all presentations • Willingness to engage in cross cutting topics • Adaptability/willingness to include new elements in the meetings (poster sessions, small discussion groups, guidance papers) • The exchange of experiences and contacts established between VG members enhances collaboration and decision-making on statistical issues among NSOs and in international forums external to VG 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Lack of experience in collaboration between meetings • Language, meetings are dominated by English speaking countries • Lack of participation from national accounts • Disproportionate participation of SPPI experts vs. Output experts • Difficult to get volunteers to work on areas where there is a lack of experience (no room for NSOs to engage in voluntary development work) • Diversified needs – relevance issue • Different resources available in different NSOs • Occasional late submission of papers, lack of preparatory reading and limited reflection of the issues raised in papers diminishes the quality of discussion at meetings • Disproportionate burden on co-chairs • By design, VG lacks infrastructure support from international organizations
External origin	<p>Opportunities</p> <ul style="list-style-type: none"> • External support (UN, OECD, IMF) • New communication platforms, increasing possibilities for effective collaboration between meetings • New data sources, new methods and approaches may be needed • Globalization, new challenges to be solved within measurement of output and SPPI • New legislation in the EU (FRIBS), forces European countries to develop new SPPIs • Cooperation with other City groups 	<p>Threats</p> <ul style="list-style-type: none"> • Budget constraints in NSOs, increasing pressure to achieve value for money • New legislation in the EU – might force these countries to focus and put resources into other areas than of interest for the VG (eg. ISP) • Web-site, maintained by Statistics Canada and the backbone of the Groups work. Future in medium/long term? Legacy documentation once group is disbanded?

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 Voorburg Group reviewed the mandate at the 2016 meeting in Zagreb and proposed some modifications to the mission to take into account:

- the use of SPPIs for more than just deflators of output
- the sharing of best practices
- the concept of output that differs from turnover for margin activities.

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 output and producer price indexes for the service 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 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 is made more concrete by including a new set of objectives that extend what this mission means at least for the time horizon of this Plan; they are outlined in Section 5 of this Plan.

4. The Voorburg Group's Vision Statement

A vision statement defines 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 at the Zagreb meeting. The Group’s consensus decision is that having a separate Vision Statement in the Plan is not just a good idea, but perhaps even necessary. The Group contributed suggestions for a concise statement that would resonate with all members. The statement focuses on what success will look like. At the 2016 meeting, participants agreed to the following 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.

5. 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 and the Vision Statement, 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 6 of this Strategic Vision/Plan. The VG objectives for the next five years include:

- 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 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. We will produce guidance papers based on cross cutting methodological issues.** A number of challenges in the measurement of services affect many different service industries. In recent years, the guidance provided through the tackling of complex cross-cutting methodological issues has been invaluable. These topics should result in a formal Guidance Paper that relates to the overall VG mission and informs the development of best practices. Where consensus is not possible, a summary paper of issues and possible solutions should be written. However, there is a risk that the Group could lose focus or delve into the domain of other international groups if the cross-cutting issues chosen

are not closely aligned to the VG Mission. Clear criteria are needed to decide which cross-cutting topics to address.

- 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 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. 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 within the VG, but also external (such as collaboration with other City-Groups, UNSD, OECD, Eurostat, IMF, or other international organizations). As with objective B, clear criteria are needed to decide which topics of practical experience should be covered in keeping with the VG Mission.
- D. We will make VG documentation more accessible and 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.
- E. We will enhance the Group's understanding of the concepts and requirements of National Accounts in measurement of real output and productivity in the services industries.** Participants at the 2016 meeting noted the importance of the Group's knowledge of the National Accounting Framework in which measures of services need to fit. These concepts are an important foundation for the development of internationally comparable data for the services sector.

6. Work Plan of the Group for 2017-2021

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 followed by a summary table that depicts the relationship that we currently see between the tasks and the objectives. For each

task, we have included an estimated timeline for completion – the timing for some may be dependent on others.

- 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. 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. 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.
 - a. **Timing** – *The new CDF will include alternative data sources in the framework (See Task II).*
- II. **Finalize and implement new Content Development Framework.** A task force group proposed a new format at the VG 2016 meeting. Based on the discussion and input from the meeting participants, the task force will finalize the work in time for use by contributors to the 2017 meeting. The new format will take into consideration that paradigms have changed since the current CDF was introduced in 2006. It will also cover how and when industrial organization 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 output and PPI.
 - a. **Timing** – *Complete new CDF for use in papers presented at the 2017 meeting and beyond during first quarter 2017.*
Update the CDF, if necessary, based on experience with it at VG meetings and share updates with all VG members/meeting participants.
- III. **Establish plan for keeping documentation up-to-date.** A plan is required 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 similar plan is required to update guidance papers on cross-cutting issues to

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. This stems from 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 output 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”.

a. Timing – A working group of Bureau members will propose a plan to keep VG documentation up-to-date. This will be presented to the rest of the Bureau for approval by June 2017 and will be used by the Bureau to help guide future agendas. That plan will then be implemented over the course of the subsequent five years of this Plan.

IV. Redesign the website to establish the Voorburg Group as a premier source for information about development of measures of services output and producer price indexes. 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. A Task Force was formed at the 2016 meeting. This task force will establish how information would best be organized to provide ease of access to the most up-to-date papers providing guidance on sectors and cross-cutting issues. The VG will also look to what other organizations do in this field. This could include exploring options for obtaining funding or support from outside organizations.

a. Timing – Task Force formed at VG2016 to make proposal at the 2017 meeting. Construction of the new website to be implemented in following year(s) based on available resources and web hosting arrangements.

V. Establish criteria for cross-cutting issues to be addressed by the Group and produce Guidance Papers. Cross Cutting topics can be divided into two categories, those based on methodological or conceptual issues (e.g. bundling of services, sectoring, reselling of services) and the sharing of practical experiences (e.g. electronic reporting, initialization). These topics have usually been raised “ad-hoc” by members of the Group during VG meetings. 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. A small working group will propose 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. Those of a more cross-cutting methodological or conceptual nature would be identified as requiring a Guidance Paper or at least a summary of the Group’s knowledge and conclusions on the issue. Once the

criteria are accepted by the Bureau, they will be published on the Voorburg Group website and members will be notified.

- a. **Timing** – *A working group of Bureau members will propose criteria to the Bureau. VG delegates will be informed and the VG website will be updated by end of June 2017.*

VI. Identify and implement mechanisms for VG collaboration activities between formal meetings. It can be difficult to maintain the momentum of VG between the meetings. The Group should identify how this can be improved. The Bureau will identify potential suitable communication mechanisms such as, *on-line discussion forums such as Slack, conference calls, Skype-meetings, etc.* The VG Bureau, task groups and session leaders should experiment with these mechanisms and provide feedback to the Bureau on whether these communication tools should be used on an ad-hoc basis or if they could be organized more systematically. Based on their feedback, the Bureau could organize broader discussions ("virtual meetings") during the year on a narrow issue or topic.

- a. **Timing** – *Identification of mechanisms and testing by Bureau, task forces and session leaders between Meeting 31 and 32 with feedback discussed at Meeting 32.*

VII. 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.

- a. **Timing** – Ongoing

VIII. 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.

- a. **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
- IX. Make obtaining review of sector papers and/or country industry papers by National Accounts staff a standard practice of producing these documents.** The current and future CDF include a section that considers alignment of the output and SPPIs to the National Accounting framework. While it is likely that contributors review this content with National Accountants in their country, there have never been any direct instructions to do so. 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.
 - a. **Timing** – Instructions to session leaders and authors of mini-presentations will be updated in 2017 to reflect this.
- X. Ensure that National Accounts experience is represented directly in VG meetings, including, if needed, inviting National Accounts staff from a meeting's host country to participate.** At the end of the 2016 meeting, a new member with National Accounting background was added to the Bureau to represent SNA needs in the organization of VG. 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.
 - a. **Timing** – Bureau will review participation by expertise after registration closes and will communicate with the host country if help is needed to supplement gaps.

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

<i>Objectives</i>	Update best practices	Produce guidance papers	Provide a forum for information exchange on best practices and emerging issues throughout the year	Make VG documentation more accessible and up-to-date.	Enhance the Group's understanding of the concepts and requirements of National Accounts
Work Plan Tasks					
Identify and share best practices for use of alternative data sources	✓		✓		
Finalize and implement the new CDF	✓				✓
Establish plan for keeping documentation up-to-date				✓	
Redesign the website to establish the Voorburg Group as the premier source for information				✓	
Establish criteria for cross-cutting issues and produce Guidance Papers		✓	✓		
Identify and implement mechanisms for VG collaboration activities between formal meetings			✓		
Explore ongoing collaboration with other UN City Groups and/or other international organizations such as Eurostat or OECD			✓		✓
Provide input to changes in classification systems and other official international guidance			✓		
Make obtaining review of sector papers and/or country industry papers by National Accounts staff a standard practice					✓
Ensure that National Accounts experience is represented directly in VG meetings					✓

7. Conclusion & Next Steps

The Voorburg Group has made a significant contribution to the development of international standards, methods and best practices for the measurement of service industries. This new Strategic Plan is intended to establish a road map for the next phase of the Group's work. The Plan's new VG Mission, VG Vision, Five-Year Objectives, and VG Work Plan for 2017-2022 will actively guide and support the work of the Group. VG members believe strongly that there is still an important role for the VG to play in the measurement of the remaining and challenging industries where international experiences are limited. The work is particularly important as more NSOs expand their statistics to cover service industries.

In addition, the Group will update best practices measuring output and producer price indexes for services industries covered earlier by the Group. New technology that is opening up countless possibilities for collection of large data sets, the changing nature of several service industries and increasing globalization, all create a need to update some of the past VG recommendations.

The Group will direct more attention towards the concepts of the national accounts, as the recommendations for best practices should consistently take these concepts into account. This is necessary, for the development of internationally comparable data for the services sector. Special attention is needed to ensure that the conclusions of the Group are well documented and easily accessible to all NSOs, not just to the participants who attend VG meetings.

The current format of the Group's meetings is very effective and conducive to collaboration, particularly in tackling difficult conceptual issues. The weaknesses identified by the Group are largely organizational in nature, including lack of dedicated resources. They will be addressed by the Bureau in the direction and organization of future meetings. The Bureau will strive to turn those weaknesses into strengths. One item highlighted in the new Plan is further development of collaboration between the meetings. As the needs of the Group evolve, the Bureau will work to develop practices to ensure the relevance of the agenda. This could include canvassing NSO participants, other international groups and international statistical organizations on their most pressing issues in the measurement of service industries. We hope that by actively trying to ensure relevance of the agenda, we will also preserve and/or even increase the number of countries participating in VG activities. In order to meet the objectives laid out in this Plan, the Group is still dependent on a continued high number of participating countries. Nevertheless, the

new Plan calls for exploring the potential for increased collaboration and support from external entities as well.

Voorburg Group will reassess the future of the Group in five years. If we meet the objectives of this Plan we expect to have excellent and up-to-date documentation on industries and cross-cutting issues with input from a diverse range of countries. The information will be readily available to all NSOs. Given the evolving and rapid change in economies and service industries in particular, the Group may find new requirements and challenges that still need to be met in the years beyond the time horizon of this new Strategic Plan.

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.

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	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 changes mentioned here.

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

This Appendix provides a list of the most current version 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 cases where there was insufficient experience to write a sector paper, an issues paper was compiled to reflect the collective lessons learned to date. 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.

Sector papers are updated from time to time to take into account changes in the industry or methods. Industries that were covered before the 2005 CDF was introduced have Revisited Sector Papers since they take into account the previous VG experience. Further reviews of sector papers written since 2005 result in “updated” sector papers. The table below shows the vintage of the latest version of the sector paper and its type (issue paper, sector paper, revisited sector paper or updated sector paper). Some sectors, such as Telecommunications, one of the oldest sectors studied by VG, are updated more often than others to take into account the rapid changes in technology and services.

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
- 8610 Hospital activities
- 8620 Medical and dental practice activities
- 8690 Other human health activities

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. The industries listed among the 59 industry groupings that have not yet been targeted for study by the Group are those with which NSOs have very sparse experience to date, especially in regard to SPPIs.

Name of Paper	Type	Year approved	Industries covered	
			ISIC Rev 4 code	Title
Commercial and Industrial Machinery Repair and Maintenance	Sector paper	2013	3312 3313 3314 3315 3319	Repair of machinery Repair of electronic and optical equipment Repair of electrical equipment Repair of transport equipment, except motor vehicles Repair of other equipment
Consumer Household Goods Repair and Maintenance	Sector Paper	2013	9521 9522 9523 9524 9529	Repair of consumer electronics Repair of household appliances and home and garden equipment Repair of footwear and leather goods Repair of furniture and home furnishings Repair of other personal and household goods
Water Collection, Treatment, and Supply Sector	Sector Paper	2013	36	Water collection, treatment, and supply
Waste Management and Remediation Services	Sector Paper	2012	3700 3811 3812 3821 3822 3830 3900	Sewerage Collection of non-hazardous waste Collection of hazardous waste Treatment and disposal of non-hazardous waste Treatment and disposal of hazardous waste Materials recovery Remediation activities and other waste management services
Maintenance and Repair of Motor Vehicles	Sector Paper	2012	4520	Maintenance and repair of motor vehicles
Wholesale and Retail Trade (Distributive Trades)	Issues Paper	2012	462-469 471-479	Wholesale trade industries excluding ISIC 461 Retail trade industries
Rail Passenger Transportation Services	Sector Paper	2010	4911 4921 4922	Passenger rail transport, interurban Urban and suburban passenger land transport Other passenger land transport
Rail Freight Transportation Services	Sector Paper	2010	4912	Freight rail transport.
Freight Transport by Road	Sector Paper	2007	4923	Freight transport by road
Water Transport	Sector Paper	2007	5011 5012 5021	Sea and coastal passenger water transport Sea and coastal freight water transport Inland passenger water transport

			5022	Inland freight water transport
Air Transport	Updated Sector Paper	2012	5110 5120	Passenger air transport Freight air transport
Warehousing and Support Activities for Transportation	Sector Paper	2014	5210 5221 5222 5223 5224 5229	Warehousing and storage Service activities incidental to land transportation Service activities incidental to water transportation Service activities incidental to air transportation Cargo handling Other transportation support activities
Postal Activities Under Universal Service Obligation	Sector Paper	2014	5310	Postal Activities
Courier Activities	Revisited Sector Paper	2010	5320	Courier Activities
Accommodation and Food Service	Sector Paper	2011	5510 5520 5590 5610 5621 5629 5630	Short term accommodation activities Camping grounds, recreational vehicle parks and trailer parks Other accommodation Restaurants and mobile food service activities Event catering Other food service activities Beverage serving activities
Publishing Activities	Sector Paper	2014	5811 5812 5813 5819	Book publishing Publishing of directories and mailing lists Publishing of newspapers, journals and periodicals Other publishing activities
Software Publishing	Sector Paper	2014	5820	Software publishing
Programming and Broadcasting Activities	Sector Paper	2014	6010 6020	Radio broadcasting Television programming and broadcasting activities
Telecommunications	Updated Sector Paper	2012	6110 6120 6130 6190	Wired telecommunication activities Wireless telecommunication activities Satellite telecommunication activities Other telecommunication activities
Computer Programming, Consultancy, and Related Activities	Sector Paper	2008	6201 6202 6209	Computer programming activities Computer consultancy and computer facilities Other information technology and computer services activities

Banking and Credit, Reference Rates, and Negative Prices	Sector Paper	2011	6411 6419 6492	Central banking Other monetary intermediation Other credit granting
Non-Life Insurance	Issue Paper	2012	6512 6520	Non-life insurance Reinsurance
Real estate activities with owned or leased property & Real estate activities on a fee or contract basis	Revised Revisited Sector Paper	2009	6810 6820	Real estate activities with own or leased property Real estate activities on a fee or contract basis
Legal Activities	Revisited Sector Paper	2010	6910	Legal activities
Accounting, Bookkeeping, and Auditing activities; tax consultancy	Sector Paper	2008	6920	Accounting, bookkeeping and auditing activities; tax consultancy
Management Consultancy	Sector Paper	2007	7020	Management consultancy activities
Architectural and engineering activities and related technical consultancy	Sector Paper	2008	7110	Architectural and engineering activities and related technical consultancy
Technical Testing and Analysis	Sector Paper	2012	7120	Technical testing and analysis
Advertising; Market Research and Public Opinion Polling	Revisited Sector Paper for Advertising only	2009	7310 7320 7410	Advertising Market research and public opinion polling Specialized design activities
Veterinary Activities	Sector Paper (turnover only)	2016	7500	Veterinary Activities
Rental and Leasing Services	Revised Revisited Sector Paper	2009	7710 7721 7722 7729 7730	Renting and leasing motor vehicles Renting and leasing of recreational and sports goods Renting of video tapes and disks Renting and leasing of other personal household goods Renting and leasing of other machinery, equipment and tangible goods
Leasing of intellectual property and similar products	Issue paper	2015	7740	Leasing of intellectual property and similar products
Employment Activities	Revisited Sector Paper	2009	7810 7820 7830	Activities of employment placement agencies Temporary employment placement agencies Other human resource provision
Travel Agency Activities	Sector Paper	2015	7911	Travel agency activities
Security and Investigation Activities	Revisited Sector Paper	2009	8010 8020 8030	Private security activities Security systems service activities Investigation activities

Services to Buildings and Landscapes Activities	Sector Paper	2011	8110 8121 8129 8130	Combined facilities support activities General cleaning of buildings Other building and industrial cleaning activities Landscape care and maintenance service activities
Office Administrative and Support Activities	Issue Paper	2016	8210 8219	Combine office administrative service activities Photocopying, document preparation, & other specialized office support activities
Activities of Call Centers	Sector Paper	2015	8220	Activities of call centers
Organization of Conventions and Trade Shows	Sector Paper	2016	8230	Organization of Conventions and Trade Shows
Arts, Entertainment and Trade Shows	Sector Paper <i>Comment from Jakob. Based on content and lack of experience within SPPI, paper should probably be an issue paper only</i>	2013	9000 9010 9102 9103 9311 9312 9319	Creative arts and entertainment activities Library and archives activities Museums activities and operation of historical sites and buildings Botanical and zoological gardens and nature reserves activities Operation of sports facilities Activities of sports clubs Other sport activities
Thesaurus of Producer Price Indices for Services	General Methodology Paper	2016	N/A	N/A
Glossary of Voorburg Group Terminology for Mini-Presentations, Sector Papers, & Revisited Sector Papers	General Methodology Paper	2016	N/A	N/A
National accounts general methodology - addressing cross-cutting issues when measuring the constant price output of services industries	General Methodology Paper	2008	N/A	N/A