

Session I. Prices and Quantities in Services - Monday, October 19, 1992

Lead Country: NETHERLANDS
Chairman: Adriaan Bloem (NETHERLANDS)
Lead Discussant: Russell Rogers (AUSTRALIA)

Principle Papers:

1. Albert, Jean (EUROSTAT): Measurement of Volume and Price Changes for Commercial Services; Further Developments: The possibilities Offered by Eurostat's Methodological Manual for Service Statistics: "Distributive Trade" Chapter
2. Chadeau, Ann (OECD): Indices Used in the OECD Area to Derive Constant Price Value Added in Services - Introduction and Part I
3. Daniel, David (UNITED KINGDOM): The Use of Deflators in the Measurement of Output of the Service Sector in the United Kingdom
4. Kazemier, Brugt (NETHERLANDS): Volume Measurement of Government Output: The Dutch Practice Since Revision 1987
5. Lowe, Robin (CANADA): Pricing Services of Consulting Engineers - Update October 1992
6. Picard, Hugues (FRANCE): Progress Report on the Development of Business Service Price Indexes in France
7. Ridgeway, Arthur (INSEE): A Price Index for Security Services In France, A Test

Contributing Papers:

1. Bank of Japan (JAPAN): Outline of the Corporate Service Price Index and Recent Trends
2. Chadeau, Ann (OECD): Indices Used in the OECD Area to Derive Constant Price Value Added in Services - Part II
3. Fixler, Dennis and Kimberly Zieschang (USA-BLS): Output and Price Measurement in Commercial Banks: Evidence from FDIC Data

4. McSween, Curtis (UNSD): Working Notes on the Proposed Methodologies for Volume Measures of Services and Service Industries
5. Triplett, Jack (USA-BEA): New Palgrave Dictionary of Money and Finance

Discussion and Conclusions:

Prices and Quantities in Services:

Discussion was confined to the principal papers for the session.

The issue of the choice of a deflator for government output raised difficulties. It was suggested that the assumptions underlying the Netherlands approach (which used a basic wage rate index as a proxy for inflation) might not be generally valid. However, circumstances might differ between countries as to the appropriate choice. It was accepted that whatever approach was used, it was desirable to review the evidence underlying the assumptions and to look at the plausibility of results achieved.

It was suggested that the work on contract cleaning prices points at deficiencies in the CPC. However, this might only be a matter of the level of detail. Participants were reminded that the CPC should be improved where inadequate. Countries should try to use it whenever possible so that any suggestions made to improve it could be worked into the framework. The group was also reminded that one of the purposes of the model surveys was to test the CPC.

The Group noted the close consultation with professional associations in the prices work carried out by France and endorsed the importance of this contact in giving access to specialist knowledge and creating trust with the industry.

Several approaches to defining banking output were discussed. A central issue is the treatment of free banking services, which are a key component of banking production. It was suggested that one way of approaching the problem of defining the banking industry would be to look at a behavioral model of how banks operate. That is, one can ask: What measures of banking output seem to be the appropriate ones for analytic work on banking? It was felt that such an approach might be more fruitful than

imposing a theory of interest, embodied elsewhere in the SNA, on the way in which banking output is measured. It was noted that most, though not all, of the approaches to banking output that are found in non-national accounts uses treat bank loan activity as an output activity of banks, which conflicts with the national accounts approach.

There was no consensus on the best approach to be adopted to the measurement of banking output. It was noted that the US planned a pilot study of the alternative approaches suggested. It would be an appropriate topic for the Voorburg Group to consider in future meetings. Other countries were encouraged to pursue work in this area.

Session II. International Trade in Services: Links with Domestic Production - Monday, October 19, 1992

Lead Country: CANADA
Chairman: Albert Meguerditchian (CANADA)
Lead Discussant: Adriaan Bloem (NETHERLANDS)

Principle Papers:

1. Benassi, Marie P. (EUROSTAT): International Activities of Enterprises of Services Sectors: The Role of the Balance of Payments in An Integrated Approach
2. Bloem, Adriaan M. (NETHERLANDS) and Mária Dunavölgyi (UNSD): International Trade in Services: Selected Issues on the Linkage Between National and International Service Statistics
3. Halvorsen, Tore and Elisabeth Norgaard (NORWAY): A Note on International Trade in Services in Norway
4. Hoekman, Bernard and Guy Karsenty (GATT): Employment and Production-based Proxies for Trade Specialization in Services
5. Meguerditchian, Albert (CANADA): Links Between Trade in Services and Domestic Production: Conceptual and Measurement Issues
6. Nivlet, Jean-Marie (INSEE): Trade in Services and Establishment Trade
7. Stock, Michael (UNITED KINGDOM): Links Between Domestic Services and Trade in Services: United Kingdom

Contributing Papers:

1. Gill, Mahinder (IMF): Draft Classification of International Transactions in Services
2. Lancetti, Marco (EUROSTAT): Product, Activity and Transaction Approaches to Classifications: A Proposal for an Aggregated Activity Classification Compatible with Balance of Payment

3. Veil, Erwin (OECD): Links Between International Trade and Production of Services: Problems and Work in Progress in the OECD Area

Discussion:

Discussion centered around the principal papers for the session and was largely directed to consideration of establishment trade, the activities of foreign owned affiliates on domestic territory and the converse activity.

There were differing views on the significance for economic policy of data on establishment trade. While such activity was growing and negotiators sought relevant statistics there were also doubts about the priority this matter deserves from a more general economic/statistical point of view.

The broad consensus was that data were needed on the "import" side to identify the extent and characteristics of foreign-owned activity in a host country, and [also for data relevant to contrast decisions to export directly or via direct investment abroad]. Extensions to cover the "export" side were technically difficult and seen generally as of less priority. As well, a notion of an extended definition of exports risked double counting, although this might be less severe for services than goods. In any event, there appeared no need from the point of view of the GATT negotiations to have conventional and establishment trade viewed in a unified framework so as to arrive at an "extended" foreign trade notion, although this might seem interesting from an economic point of view.

There was discussion by the group on criteria for ownership and control but no agreement was reached. There were difficulties in finding any statistical definition of effective control, even though definitions were set in some legislation. Ownership by a criterion as low as 10 percent (as in BOP) could, in theory at least, lead to problems of multiple ownership. However, it was suggested the threshold of ownership might not be important in practice.

No agreement was reached by the group on the issue of treatment of multi-level affiliations. Some alternatives that were discussed related to determining the ultimate owner, which could lead to tax haven countries. However, this could apply even with the immediate owner. One possibility would be to take the highest non-tax haven owner.

An approach to the coverage of foreign affiliates' activities on an exchange basis was not widely discussed although it was suggested that its organization would require very effective coordination. The possibilities could be further discussed elsewhere.

There was general agreement that the term "establishment trade" was unsatisfactory. It failed to convey the meaning of the concept and the term "establishment" could be confused with its usage as a statistical unit. However, it was in use quite widely now and no satisfactory alternative was suggested.

It was agreed that international trade in services and its links with domestic activity remained an important area which might be discussed further by the Group. The need to have good links between BOP, national accounts and domestic statistics was endorsed although there was a divergence of view on how easy it would be to achieve this-via linked or common registers.

It was felt that work might now be carried out on how companies decide between direct exporting and operating via affiliates abroad. However, the Group felt that it should continue to bear in mind other issues concerning establishment trade.

Session III. Model Survey of Audiovisual Services - Tuesday, October 20, 1992

Lead Country: FRANCE
Chairman: Hugues Picard (FRANCE)
Lead Discussant: Heli Jeskanen-Sundström (FINLAND)

Principle Papers:

1. Trogan, Philippe (INSEE): Model Survey for Audiovisual Services
2. Weckstrom-Eno, Kaisa (FINLAND): Model Survey of Audiovisual Services - Finnish Experience

Contributing Papers:

1. Thisner, Magnus (SWEDEN): Swedish Audiovisual Services 1990
2. Trogan, Philippe (INSEE): Standard Surveys - Computer Services, Telecommunication Services, Audiovisual Services - Results for 1990

Discussion and Conclusions:

There was discussion by the group on the amount of detail given in the survey classification in module 1. Several countries questioned whether the audio-visual sector was really suited to such detailed classification. Some countries were unable to collect data on as detailed a basis as the French provided.

However, it was stressed and accepted that the proposal was for an ideal model. As such it should be detailed, in part to help ensure that it covered all products of the industry. However, each country using the model will need to determine how far the detail collected must be collapsed bearing in mind the need to attain international comparability.

One idea for simplifying the model was that it should be split into three separate sub-models. In addition, the revenue questions in Module 1 would benefit from a hierarchical presentation (such as, first by type of user, then resident or non-resident, and finally source of revenue.)

A hierarchical presentation could be more easily tailored to a particular country's use while helping to attain international comparability albeit at a high level of aggregation.

It was suggested that more detail should be obtained on the breakdown of cost. It was also suggested that if available, it should be applied to past as well as future model surveys.

The proposed model survey contained no module 8 relating to industry-specific quantity information. There was agreement that such data were useful and future model surveys should include such a module.

The desirability of articulating the items model surveys collected in the with the national accounts was stressed.

A number of detailed points were raised. Royalties and patents bought should be included as a counterpart to those sold. There was uncertainty about the location of television shopping although it was suggested that the activity of trading goods should clearly be classified to retail. It was agreed that there should be a working agreement that CPC 96111 relates to the production of promotional and advertising motion pictures and videos, and not promotion of pictures and videos. Some concern was also expressed about the difficulties in measuring the production of free-lance workers and transient companies.

It was agreed that France would work further on providing of explanatory material to support the model.

The group agreed on the importance of assigning responsibilities to a country to take the lead on the preparation of a model survey. It also agreed that it is necessary to establish mechanisms to ensure that experiences with this and other surveys are taken into consideration in future revisions of the provisional CPC.

Session IV. Model Survey of Telecommunications - Tuesday, October 20, 1992

Lead Country: CANADA
Chairman: Jacob Ryten (CANADA)
Lead Discussant: Hugues Picard (FRANCE)

Principle Paper:

STATISTICS CANADA: A Model Survey for the Telecommunication Sector

Contributing Paper:

Trogan, Philippe (INSEE): Standard Surveys - Computer Services, Telecommunication Services, Audiovisual Services - Results for 1990 in France

Discussion and Conclusions:

Although the model survey was designed for the subset of enterprises assigned to ISIC 6420 which are primarily engaged in the provision of products of CPC 752, it had been implemented by France over the whole ISIC 6420. The partial coverage did not imply that enterprises primarily engaged in the provision of CPC 753 products should not be covered, although it was agreed that products in CPC 754 might be assigned to a different industry.

Canada undertook to provide definitions for "TWX" and "customer sponsored services". The treatment of "whole networks rented" needed further consideration. (It will be classified, utilities reconsidered, with purchases for resales.)

The group discussed whether or not the concept of inventories and work-in-progress for services was meaningful. Members of the group offered possible examples of work-in-progress, such as a half-recorded video cassette or architectural services contracted for more than one accounting period. It was generally agreed that a concept of work-in-progress could be defined as information that is gradually added to a physical base of support with the process of addition occurring over more than one accounting period.

The group discussed the structure of future reports of inquiries carried out using model surveys. The Group generally agreed that a uniform reporting approach was desirable and that reports should particularly address what went wrong with a particular survey, for example, in terms of adequacy of the coverage, and whether or not the questions were clear.

The Group is interested in judging the comparability of the surveys across countries. It is suggested that for future Voorburg meetings the lead countries continue to put together comparable data for a sector from each participating country.

In line with a suggestion made in the previous session, it was proposed that the labor costs element of all model surveys might be expanded. A suggested expansion was discussed. It was accepted as illustrative of data that might be sought, although further consideration of the detail and terminology was needed.

It was agreed that the model survey as described, with the qualifications discussed and with the wider coverage understood by ISIC 6420, was a basis for progress.

Session V. Model Survey of Insurance Services - Wednesday, October 21, 1992

Lead Country: CANADA
Chairman: Shaila Nijhowne (CANADA)
Lead Discussant: Jack Triplett (USA - BEA)

Principle Papers:

1. Collins, R.W. (CANADA): A Model Survey of Insurance Services
2. Walton, John (EUROSTAT): Model Survey on Insurance Services: A Framework for Improving Information on Insurance Services

Contributing Paper:

Walton, John (EUROSTAT): Methodological Manual of Statistics on Service Enterprises

Discussion and Conclusions:

It was noted that the development of proposals for insurance was set against a background of heavy regulation. Both Canada and Eurostat based their proposals on the availability of administrative data.

A fundamental problem was how one viewed the activity of insurance companies. Was it the service of arranging protection or of providing it? If the former was the more conventional approach, it was suggested that the latter view, which could lead to the stance that the gross output of insurance was best represented by premium income, was worth examining. For one thing, the latter position focusses both price and quantity (volume) measurements on the actual transaction, which is more closely analogous to procedures for "conventional" commodities. For another, it reduces the number of flows between policy-holder and insurance company that have to be considered, and simplifies the discussion of topics such as re-insurance.

However, there was much support for the view that gross output should be regarded as the sum of premiums minus claims plus investment income. Clearly, claims experience and investment income are considered by companies in setting their premiums, although that might not be conclusive. Views differed on the desirability of breaking down investment income by

product although it was agreed that adequate methods could be created for allocating investment income. The group recognized that both sets of proposals provided for product information at CPC level.

Model surveys were neutral on the issue of units, although countries such as Canada were concerned with the treatment of local offices. The Eurostat proposals related to the enterprise were concerned in essence with the enterprise, although the reporting of some variables might require the definition of an institutional unit within the enterprise group.

There were two proposals for the treatment of reinsurance in the measure of gross output. In one, the service charge made by the direct insurer would be measured gross of reinsurance, in the other net. At the level of insurance plus reinsurance activity within the whole domestic economy, the only difference between these two approaches would be in the extent of consolidation, but there would be a greater difference if reinsurance services crossed national boundaries, for instance if reinsurance services were imported. It was also stated that the gross approach made it easier to subdivide and deflate the activity. It appeared that data would be adequate to support the gross approach.

Views differed on the possibilities for double deflation and in particular on the ease of deflation of gross output defined as premiums minus claims plus investment income. It was felt that the Canadian approach might be expounded further and more formally: the Canadian participant argued that one could deflate gross output with the same price relatives that would be used for deflating simple premium income, but this was objected to on the grounds that price and volume measures should in principle refer to the same units. An alternative suggestion was to use the number of policies as a quantity indicator to derive an implicit deflator. Depending on the expenditure total that was being divided by the quantity index number, this could yield implicitly a relevant price.

It was noted that the existing position with the SNA revision was confused, but appeared to be moving toward further recognition of investment income as production. The position remained open.

The Group agreed that it should not be constrained in its considerations by a treatment advocated by the revised SNA. It was appropriate for the Group to discuss the merits of alternative ways of measuring insurance. This did not mean, however, that the Group wished to delay decisions on SNA nor that, if it took a different view on the best treatment, members would wish to follow it for national accounts purposes. It was suggested that, nevertheless, it was desirable that any agreed proposals for a survey would

facilitate both SNA and any other approach to the measurement of output.

Views differed on whether it was appropriate at this stage to accept the model survey, as described in the Canadian paper, on the usual basis, that is recommended for wider use. It was suggested by EUROSTAT that this would be premature, given that a complete match between the approaches of Canada and Eurostat had not yet been achieved, in part with reference to the remaining problems about reinsurance.

It was concluded that:

- (i) there was considerable convergence of opinion between the Canadian and EUROSTAT approaches;
- (ii) the intellectual challenge of different approaches to the measurement of output should continue to be pursued;
- (iii) between the two papers there was an approach to the collection of data that would help in the measurement of output;
- (iv) further contributions to the measurement of prices, and changes in prices, to derive real output in insurance would be welcomed; and
- (v) The Group might consider making its views on the insurance section of the SNA known to UNSO.

Session VI. Model Survey of Computer Services - Thursday, October 22, 1992

Lead Country: AUSTRALIA
Chairman: Russell Rogers
Lead Discussant: Russell Rogers

Principle Papers:

1. April, Daniel (CANADA): Report on the Implementation of the Model Survey of Computer Services
2. Kux, Jaroslav (CZECHOSLOVAKIA): Model Survey of Computer Services - Czechoslovak Experience
3. Lacroix, Michel (INSEE): An Example of the Use of Annual Surveys on Enterprises for National Accounts: The Transfer "Sector to Branch" on Turnover. (Application to the Computer Service Branch)
4. Rogers, Russell and W. Pattinson (AUSTRALIA): The Composition and Structure of the Computer Services Industry in Voorburg Group Member Countries
5. Rogers, Russell and W. Pattinson and G. Mitchell (AUSTRALIA): Implementation of the Model Survey of Computer Services
6. Rikama, Samuli (FINLAND): The CPC and Computer Services in Finland

Contributing Paper:

Trogan, Philippe (INSEE): Standard Surveys - Computer Services, Telecommunication Services, Audiovisual Services - Results for 1990 in France

Discussion and Conclusions:

During this session two Australian papers, one on a compilation of the use of the computer services model survey and the other compiling computer services survey statistics from member countries, was discussed.

The scope of the survey was discussed. The model used had an industry scope. However, it was reported that users view information technology more broadly than those ISIC classes specified for the Model Survey. For example, it was suggested that computer services by other than computer services companies need to be considered. There were greater difficulties in compiling totals of the computer services product, but suitable questions could be addressed to other industries. Both industry and product totals had uses and the need should govern the approach to be adopted. It was further suggested that since model surveys are divided into modules, it may be necessary to define the scope differently for various modules.

The issue of creating hierarchies in cases where the collection of detailed data is not possible was discussed again in regards to the computer services sector. Members were concerned that if each country aggregates their own way, then international comparisons will not be possible. It was suggested that some kind of hierarchical form should be devised and agreed to by the Group, especially with respect to modules 2 and 3.

Some ambiguities in the definitions of computer facilities management and professional computer services were mentioned. There was discussion about whether computer facilities management service refers to a "professional" service or a "processing" service. The Group agreed that further explanation was needed. With respect to professional consultancy services, the discussion concerned whether the definition clearly explained the allocation for a contract for computer services work done or a programmer going to a contract site (which could arguably be included in a personnel service category). Again, it was agreed that further clarification of the definition was needed in the CPC or the explanatory notes.

It was proposed and accepted by the Group that Eurostat, which has already established a databank for classification problems in the NACE and ISIC, would collect documentation from countries on problems found. Countries should send letters to Eurostat documenting these problems, including interpretation problems found in the CPA and CPC.

It was proposed and generally accepted by the Group that the original country that performed a model survey should collect and document other countries' work on the same area. This would provide, in one place, a

historical perspective as well as any up-to-date changes in a particular service sector.

The Group generally agreed that there was a need to establish a mechanism for recording general changes (such as the proposed employment cost changes) to all model surveys. It was suggested that the U.N.S.O. might be the appropriate place to keep a record of model surveys.

Any country that has not sent computer services data to the Australian Statistical Office should do so. In addition, countries are asked to comment on the correctness of the data and any misinterpretations in either paper by Australia. Revised summaries of the papers will be provided to the Group.

Session VII. Central Product Classification - Thursday, October 22, 1992

Lead Country: NETHERLANDS
Chairman: Michel Beekman
Lead Discussant: Shaila Nijhowne

Principle Papers:

1. McGeachie, David (AUSTRALIA): Application of the Provisional CPC by the Australian Bureau of Statistics
2. Neece, Walter (USA-BOC): Conceptual and Technical Issues in the CPC, with Emphasis on Wholesale and Retail Trade
3. Nijhowne, Shaila (CANADA): Accounting Services and the CPC
4. Olsson, Berit (SWEDEN): Engineering and Other Technical Activities and the CPC
5. Rainer, Norbert (EUROSTAT): Classification of Products by Activity (CPA) in the Services
6. de Vries, Gabe H. (NETHERLANDS): Classification and Definition of Financial Products

Contributing Papers:

1. Martini, Marco (EUROSTAT): Central Product Coding: An Empirical Application of the Identification and Classification Criteria for Business Services
2. Lancetti, Marco (EUROSTAT): The Athena Project: the Methodological Coordination of Statistics on Enterprises through the Elaboration of a Common Thesaurus
3. McSween, Curtis (UNSD): The Use of the Provisional Central Product Classification

Discussion and Conclusions:

The discussion dealt largely with papers by Neece and Rainer. Consideration of the paper by Glebe was deferred to 1993.

In reviewing other papers (i) it was noted that written reactions to the paper by Lancetti would be welcomed; (ii) it was suggested that the Australian intention reported in the paper by McGeechie to test the CPC from 3 digits downwards was a useful approach which might help determine a better level for international comparability; (iii) the hierarchic and practicable questionnaire procedure in the paper by Martini was noted as an interesting approach.

More generally, it was suggested that it would be helpful if authors of papers proposing changes to the CPC on the basis of their survey experience could discuss past evidence.

Discussion of the treatment of retailing (and wholesaling) in the CPC mainly concerned the need for classification by method of selling in addition, or perhaps alternatively, to classification by product. It was noted that initial drafts of the CPC had started with classification by mode but had moved to classification by product.

Several countries argued the importance of classification by mode, in particular, to provide a suitable framework for information on gross margins to support the national accounts. Moreover, classification by product created difficulties with mixed businesses and product combinations sold, which varied between countries. On the other hand, it was suggested that retail trade users were primarily involved in product information and that a mode of selling classification, at least if detailed, might be somewhat ephemeral and difficult to establish internationally. Information on mode of selling could always be an inquiry variable.

The Group agreed that both areas of classification were important and it would be desirable to bring a form of selling element into the CPC.

The constraints on the construction of the CPC meant that some headings mapped into more than one ISIC heading. It was suggested that this position might be improved, if not eliminated. A further problem was the existence of ISIC headings with no CPC heading. However, it was pointed out that attempts to remedy this, for example in textile finishing, would lead to many to one relationships between ISIC and CPC.

Work was near completion within EUROSTAT to establish the CPA, a product classification paralleling NACE Rev. 1. The construction of such a classification, rather than the direct use of the existing CPC, was necessary because of the greater detail in NACE Rev. 1 compared with ISIC and the European requirement for a more detailed product classification than CPC. While CPA headings were either identical with CPC headings or sub-divisions of them, to assist international comparability, some of the linkages between CPC headings and ISIC notes were amended. This was generally either to ensure each CPA heading mapped to a single NACE heading or because of suspect CPC/ISIC linkages. The process involved judgement by member countries involved and technical experts. It was stated that whatever the role or nature of CPA, it does not, in itself, imply a decision for what CPC should be.

It was noted that the CPC was not a true product classification and that it contained entities, such as assets, that were not products. The need to establish linkages within industry of origin meant that they were not included in CPA itself but in an annex to the classification.

The Group agreed that substantial further work needed to be done on possible revisions to the CPC, drawing on a range of evidence - from surveys, the development of CPA, the linkage with BOP classifications and the work described in the Neece paper which, it was hoped, could be enhanced at some stage.

It was announced in the session that papers from the newly established US Economic Classifications Policy Committee, set up to take a completely fresh look at economic classification, would be sent to Group participants. The Group welcomed this offer to be informed of progress with this initiative and the opportunity to comment.

Lead Country: UNITED STATES
Chairman: Paul Bugg (USA - OMB)
Lead Discussant: Paul Bugg (USA - OMB)

Principle Papers:

1. Landefeld, Steven J. and Christopher L. Bach (USA-BEA): Improvements in U.S. International Service Statistics Under the "Boskin Initiatives"
2. Plewes, Thomas J. (USA-BLS): Improving Measurement of Employment, Hours and Earnings in the Service Sector
3. Torene, Laurie (USA-BOC): Recent Improvements to Service Industry Data Coverage at the U.S. Bureau of the Census

Discussion and Conclusions:

The discussion centered around the activities of the U.S. to improve statistical coverage of the service industries. It was noted that the principal thrust of the activities have been directed more toward domestic services than international. These activities were influenced by three factors: the 1987 SIC revision, the influence of academia, and President Bush's Initiative.

It was reported that the Census Bureau included an inquiry on exported services in the 1982 economic census for four industry groups, for four additional groups in 1987, and proposes further expansion to cover a group of miscellaneous business services. This inquiry on exported services essentially is a question appended to domestic surveys of selected service industries, which asks respondents whether they do business with non-residents of the United States and, if so, to estimate the percentage of total sales.

The Bureau of Economic Analysis (BEA), just prior to the "Boskin Initiative" introduced new benchmark and annual surveys covering 26 different types of international services. As part of the Initiative, BEA introduced a number of other revisions to further improve the quality of services statistics. The largest remaining gap is in the area of financial services, particularly in the banking data. Historically their income was derived from interest earned;

however, recent trends have shown a significant contribution from fees and commissions earned.

The BEA uses data provided by other countries (as, for example, in the travel accounts) and hopes to expand the use of counterpart data from other countries to improve a number of other service categories.

A question was raised about whether international transactions were receiving sufficient attention, and whether the U.S. was measuring the newer products involved in international transactions. Even with the existing and planned improvements in data, more needs to be done to capture the full value of international trade in services through cross-border transactions and through sales by affiliates.

The Group expressed concern over the need for improved information in such areas as travel, intrafirm flows, indices and the resolution of certain balance of payments issues, for example, capital improvements. It was pointed out that firms were unable to report the required detailed activity in many areas.

The Group was reminded that the "Boskin Initiative" encompassed more than just services. It includes the full federal statistical realm, including international comparability and data sharing activities. In addition, with the diverse U.S. statistical agencies, one agency's priority is not the same as others.

Session IX. Country Experiences on Pilot Surveys - Friday, October 23, 1992

Lead Country: DENMARK
Chairman: Peter Boegh-Nielsen (DENMARK)
Lead Discussant: Berit Olsson (SWEDEN)

Principle Papers:

1. Boegh-Nielsen, Peter (DENMARK), Heli Jeskanen-Sundström (FINLAND) and Berit Olsson (SWEDEN): Towards a Strategy and the Setting Up of Guidelines for the Collection of Statistics on the Business Services Sector
2. Hake, Lothar (GERMANY): Country Experiences on Pilot Surveys: Recommendations from the German Point of View for Conducting Annual Surveys in the ICOBS Sphere

Contributing Papers:

1. Albert, Jean (EUROSTAT): Eurostat's Experiences on Pilot Surveys: I) Preliminary Results for the Retail Trade Sector
2. Fisher, E.A. and Saida Slama (EUROSTAT): Eurostat's Experiences on Pilot Surveys: II) Preliminary Results for the Business Services Sector
3. Gupta, Hari C. (EUROSTAT): Eurostat's Experiences on Pilot Surveys: III) Preliminary Results for the Cooperative, Mutual and Non-profit Sector

Discussion and Conclusions:

The work on several countries on pilot surveys in various sectors was discussed during this session and some common problems of a practical nature were delineated.

The Group discussed methods of establishing a population both with and without continuously maintained business registers. It was noted that time lags inevitably existed in taking on information from administrative sources and need to be taken into account in producing survey estimates. The burden of continuously maintaining a complete register was heard by two

countries. Netherlands proposed to follow this by maintaining only a sample of the register, and Denmark by imposing a lower threshold for full maintenance.

The extent of multi-activity enterprises in some of the pilot surveys was noted although the extreme results reported from the UK represented the position only for wages. A range of information for each activity would be of interest to users but practicalities limited what could be obtained meaningfully. While this was accepted as a units issue, it was agreed that the satisfactory disaggregation of an enterprise into units that could give a range of information rested on the willingness or ability of the enterprise. Requirements for disaggregation, as for all data requests, needed also to take account of the burdens imposed on business.

A strategy for an inquiry system depended on many things but it was agreed it should be driven by needs. This related in particular to productivity although there was a general assumption that the more frequent the inquiry, the less information sought (and the speedier the publication).

More generally, it was felt that the varying needs of countries for data for different industries, pointed firmly toward a modular approach to surveys.

It was reported that one EUROSTAT invention was to explore the problems and difficulties of extending its past work on methodology for enterprise surveys to a range of non-market services. Views from members of the Group on the problems associated with this extension would be welcome.

European Community member states have carried out prior surveys into retailing design to test methods for collecting data on forms of selling for individual stores and to explore suitable criteria to determine whether a unit was a specialized or non-specialized retailer. However, it was felt that it would be feasible to make recommendations to improve them. Further work would be done on this topic which would be communicated to the Group.

The Group drew no precise conclusion from the wide-ranging discussion of prior surveys but it was agreed that the identification and classification of units on registers, the treatment of multi-activity units and the development of modular questionnaires were topics of importance. It was agreed that more reports of pilot surveys might be considered next year.

SESSION X: FUTURE WORK OF THE VOORBURG GROUP

Election of the Bureau Members

Messrs. Ryten, Beekman, and Picard were elected as members of the Bureau. Ms. Simpson and Mr. Hamilton are ex officio members as organizers of the next and present meetings respectively.

Venue for the next and subsequent meetings

The 1993 meeting will take place in Oslo, Norway hosted by Ms. Liv H. Simpson from September 27 to October 1, 1993. Mr. Russell Rogers, speaking for ABS, declared Australia's intention to host the 1994 meeting. The 1995 meeting, tenth of the Group, will return to Voorburg. These plans were presented to and approved by the Group.

Request of the United Nations Statistical Division

Mr. Curtis McSween presented to the Group a statement from Mr. William Seltzer requesting assistance in converting the Provisional CPC to a final version. Subsequent to the Group's discussion on this matter, a letter was sent to Mr. Seltzer accepting this request. Copies of these documents are included in the appendix.

Agenda for the Oslo Meeting

The Group took up the matter of the agenda for the 1993 meeting. It is understood that the lead countries will contact the supporting countries, in addition to other countries that later join the session, in order to facilitate host country arrangements for the meeting. The provisional agenda, shown on the next page, was accepted by the group.

Closing of the Meeting

The United States staff was recognized and thanked for their efforts in support of this meeting. All of the participants were wished a safe journey home and the Williamsburg gathering of the Group was adjourned.