

# 29TH VOORBURG GROUP MEETING

## NACE 74.1: Specialized Design Activities

Discussion on Turnover and Prices

# Summary (1)

- **Share of turnover of this sector rather low**
- **Often small enterprises**
- **Mostly b2b-sector**
- **Inhouse or outsourcing**
  - Large firms: own design departments (design activity difficult to measure)
  - Outsourcing leads to separate economic activity
- **Characteristics of design services**
  - Innovation – competition – advances in technology
  - Internet enabled services (digital transactions, independent of location)

## Summary (2)

- **Close relation to/dependence on other sectors or industries (esp. manufacturing )**
- **Turnover: Not closely related to real output because of timelag between payment and production**
- **SPPI:**
  - **Problem of quality adjustment (technology changes)**
  - **Often customer unique projects (comparable products difficult to identify)**

## Summary (3)

- **Pricing method in the enterprises:**
  - hourly fees (hourly charge out rate) \* hours worked
  - Lump sum contracts (Fixed price per project) -> unique services
  - Fees (percentage of project value)
- **Most common methods of measuring price changes:**
  - Model pricing
  - Collection of hourly charge rate or fees

# Turkey – Turnover:

## Question to Turkey:

- Annual statistics (SBS):

Surveying „value added“ and „production value“.

- How do you explain these variables to the respondents?
- What do you think about compiling these variables in the NSO?  
(less burden on enterprise...)

# Canada – Turnover:

## Remark:

- **Very detailed questionnaire on revenues and costs** 😊
  - breakdown of sales and by type of client is very useful to cover additional user needs (showing products, developing PPI's etc.)

## Question:

- **Smaller firms: only administrative data is used.**
  - **How are the other variables (other than turnover, employees) estimated?**

# Hungary – Turnover (SPPI):

## Remarks:

-> Experimental calculation of ISP for 74.1 😊

- Also units classified elsewhere and having design as a significant secondary activity are included in the survey. 😊
- Hungary points out the inconsistency between turnover and price data (different deadlines) .

## Questions to Hungary:

- **Results: How sensitive is the ISP for 74.1 (74) reacting to economic fluctuation?**
- **Are there specific problems in 74.1 (74) due to inconsistency?**

## Question to All:

- **How to solve the problem of inconsistency?**

# Sweden - SPPI:

Question in Swedish Paper (to all):

- Enterprises charging combined services: should they belong to one industry or should the services be split into the different industries?
  - How would the group decide?

Questions to Sweden:

- Re: Price indices 74.1: pilot survey in 2014 (main user: NA).
  - At present: labour cost survey used for deflation: which variable is used? – hours worked, salaries, ..?
  - If monthly deflated turnover index has to be delivered for EU-STIS, are there plans for a monthly price measurement?



# Australia – SPPI:

## Remarks:

- Shows very good the dependence from other industries (esp. manufacturing sector).

## Question to Australia and to all:

- Changes in technology may lead to increasing prices per hour and less hours worked in a specific project. Quality adjustment necessary.
  - **Projects can take a long time. How to handle a time lag between the information on the price change and the information on the actual hours worked in a project?**

# Questions to the whole group

Due to the fact that the sector „specialised design activities“

- has a low economical significance
  - comprises of products and prices, hardly comparable
  - is not independent from other sectors and activities
  - does not show the whole range of activities (because large companies have their own design departments)
  - ...
- **Should statisticians put much effort in this sector? (e.g. compiling price indices, indices of service production...)**

# Any additional question ?

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**Thank you for your attention! 😊**

**Brigitta Redling**

**Services Statistics**

**National Statistical Office of Germany**

**Branch Office Bonn**

**[brigitta.redling@destatis.de](mailto:brigitta.redling@destatis.de)**

**Tel. ++49-228-99-643-8583**