

The Statistics Newsletter

for the extended OECD Statistical Network

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Services Statistics: International Development Work and Coordination – Towards a Strategic View

By Bill Cave, OECD

Background

In a report (UNSC paper E/CN.3/2003/12) to the United Nations Statistical Commission (UNSC) in March 2003, the Australian Bureau of Statistics (ABS) noted considerable progress in the measurement of services over the last twenty years with a wide range of current statistical development activities and active groups. But with continuing development needs, two key issues, that ABS identified, were:

- how to make current coordination mechanisms more efficient, avoid duplication of effort, identify and ensure coverage of essential issues, and;
- how to communicate conceptual/methodological outputs to all that need them.

The UNSC subsequently invited OECD to assist it by coordinating development work on services statistics that is being undertaken by international organisations and international expert groups. An important initial aim is to develop proposals on a strategy for services statistics to be discussed at the 2005 UNSC meeting.

What Are the Measurement Issues For Services?

Important examples of the progress that has been made in the frameworks and definitions for measuring services include the development of the Central Product Classification (CPC), SNA 93, the third revision of International Standard Industry Classification (ISIC), the 5th Balance of Payments Manual of the IMF (BPM5), Eurostat's *Handbook on Prices and Volume Measures*, and *The Manual on Statistics of International Trade in Services*. These have set out basic concepts, definitions, frameworks and international standards for describing services and compiling statistics. These conceptual developments have in turn yielded much more comprehensive and comparable data on services activity and trade. The coordinated revision/updating of SNA93, BPM5, ISIC and CPC currently underway offers significant opportunities for further progress in measuring services.

There is widespread agreement in many areas about how services activity should in theory be measured but practice is much more complex, varied and often inadequate. There also appears to be a broad consensus on certain basic measurement questions relating to services that need to be answered by economic statisticians.

These include the very fundamental questions such as:

- What is the real output of services?
- How to measure international trade in services?
- What are the problems related to surveying service activities?

The first question is the basic question that was put to the Voorburg Group on Services Statistics in the 1980s. This can be broken down into a number of component problems including: how to classify service products and activities; what is the size and structure of the services sector, how to measure current price services output and inputs; how to deflate the output etc.). On the second question for international trade in services, an important driver is the information needs of trade negotiations, for example those related to product detail, modes of supply and partner countries.

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[The Statistics Brief](#)
See links to each issue of the Statistics Brief on p. 7

Table 1 - Summary of services measurement issues

Main issue	Description	Sub-issue
1	Service statistics strategy	
2	Classifications	Classifications of Activities/Products
3	Measurement of real output of services	What is the size and structure of the services sector?
		Definitions of services output
		Measuring current price output and inputs i) turnover/value added by activity ii) turnover by product iii) purchases iv) labour v) capital
		Measuring services prices (deflation of services output)
		Estimating services export and import prices
		Short-term service output indicators
		Estimation of real services output in national accounts
4	Measuring international trade in services	Balance of payments trade in services
		Foreign affiliates trade in services
		Mode 4 trade in services
		Trade indicators
5	Surveying service activities	Business registers
		Statistical units
		Business statistics
6	Other policy relevant issues	ICT and Information Society Statistics
		R&D Statistics
		Innovation statistics
		Science and technology indicators
7	Specific sectoral issues	e.g. Tourism/Financial/Insurance/ ICT/Distributive trades/Business Services/Health/Education/Public sector
8	Specific Developing Country issues	Disseminating methodological work
		Technical assistance – expert networks
		Informal economy
		Non-observed economy
9	Special measurement and analytical issues	Assessing quality and quality change of services
		Measuring productivity of services
		Voluntary unpaid services
		Non-profit institutions/non-market services
		Analysing the relationship between services and the rest of the economy
		International outsourcing of services

Other specific services issues include: developing country concerns; employment measurement issues; the heterogeneous nature of services also gives rise to particular sectoral issues, see table 1; analysis of relationships between services and the rest of the economy; special issues such as how to assess the quality and quality change of services; and how to measure productivity gains in various service activities?

OECD's Coordination role – Progress and Plans?

One key aspect of OECD's coordination role is to raise awareness of work on services statistics in various international organisations and groups, by gathering and making available more information on these activities. To this end OECD have created some services statistics coordination web pages with many useful links: www.oecd.org/std/-services/statcoordination .

A consultation paper on services coordination and strategy development proposals was prepared in August 2003 and presented to the Voorburg Group, OECD Statistical Working Party of the Committee on Industry and Business Environment (SWIC), and the Interagency Trade in Services Task Force meetings in October and November 2003.

An interim report on coordination has been provided to UNSC 2004. In this report, as well as setting out the measurement issues, it identifies the expert groups and international organisations working on these issues, related in a matrix, with as far as possible, contacts, relevant web urls, international data collection and dissemination relating to services.

While a number of expert groups on services are internal to OECD, it will work closely on these issues with partners in UN Statistics Division, the Voorburg Group, the Interagency Task Force Statistics of International Trade in Services, Eurostat and other international agencies.

OECD plans to present to the UNSC in 2005 a paper setting out international service statistics activities with a summary of progress. It will identify any important gaps or duplication of effort, and proposals for a strategy on future work and its organisation.

Other Developments in 2004

Upcoming services statistics events planned in 2004 include:

- The OECD Short-term Indicators of Services Task Force, 3-4 February 2004.
- The OECD-Eurostat Expert Groups on Trade-in services Statistics, 27-29 April 2004.
- Eurostat-OECD Services PPI Task Force 27-28 May 2004 in Paris.
- UNECE Conference of European Statisticians plans a one-day seminar on price and volume measurement in the services sector as part of their meeting in June 2004.
- The Voorburg Group on Services Statistics, October 2004, Ottawa.
- The OECD SWIC, 15-17 November 2004 plans to hold a one or two-day workshop, which will focus on services sector statistics and empirical analysis of

services sector performance. This workshop is being planned in coordination with the European Commission.

Comments or questions can be sent to std.servstat@oecd.org

OECD Productivity Database

By Paul Schreyer, OECD

Productivity comparisons constitute an important focus of OECD work. It includes both efforts to improve the measurement of productivity growth, and efforts to improve the understanding of the drivers of productivity performance and the policies that governments could undertake to strengthen productivity performance. Such analysis reflects a strong interest in many OECD Member countries. The OECD Productivity Database aims at meeting the demand of inside and outside users of OECD statistics by bringing together those series that are judged best suited for productivity analysis. Where possible, data has been complemented with methodological information to facilitate an assessment of its quality and its international comparability.

The productivity database has been developed in co-operation between several parts of the organization to streamline efforts and to bring together relevant expertise. At this point, the database comprises the following series concerning productivity growth:

- (i) Measures of output growth (GDP);
- (ii) labour input growth (index of total hours worked);
- (iii) labour productivity growth (index of GDP per hour worked);
- (iv) capital services growth;
- (v) growth of the combined input of labour and capital;
- (vi) cost shares of inputs;
- (vi) multi-factor productivity growth.

Presently, these data are only available at the level of the total economy. Estimates of labour productivity growth

are available for 26 OECD countries and cover the period 1970-2002. Estimates of multi-factor productivity growth are available for at least 14 OECD countries, including the G7 countries and for the period 1985-2002 (or latest year available). For several analytical purposes, it is important to dispose also of productivity series at the level of the business or corporate sector – thus excluding government and non-market production. Until the productivity database offers this possibility, OECD will continue to produce business sector productivity data for its biannual Economic Outlook, even though the latter is based on conceptually less appealing measures of capital input than the series of capital services that is used in the productivity database.

The Productivity database can be accessed from the Statistics Portal of the OECD web pages (<http://www.oecd.org/home/>) under the entry “Productivity measures” as of **March 15, 2004**.

Revision of OECD Composite Leading Indicators

By Olivier Brunet, OECD

In January 2004, the Statistics Directorate of the OECD has begun updating the turning points of the component series of the OECD Composite Leading Indicators (CLIs). This exercise has a direct impact on the quality of the CLIs for predicting the magnitude of changes (i.e. rate of expansion or contraction) in the business cycle. The first stage of this work involved updating CLIs for the major seven countries: Canada, USA, Japan, France, Germany, Italy and United-Kingdom.

What Are CLIs?

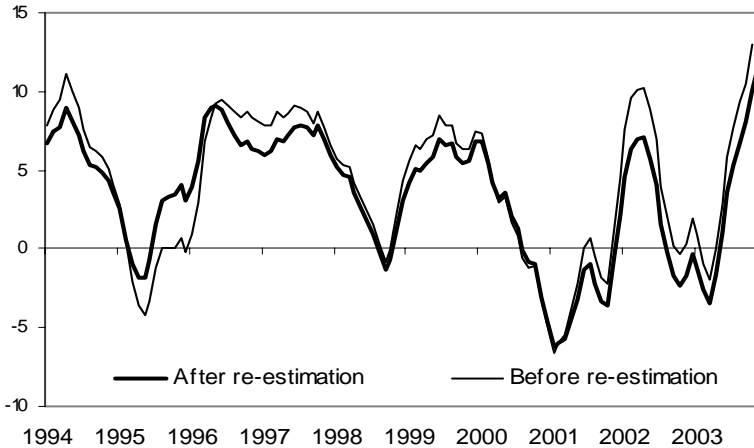
OECD CLIs are designed to predict cyclical turning points (peaks and troughs) in aggregate economy activity. The CLIs comprise a set of component series from a wide range of economic indicators. Component series are economic time series which exhibit leading relationship with a reference series (usually the index of industrial production) at the turning points. Criteria for the selection of component series are:

- Economic significance: an a priori economic reason for a leading relationship with the reference series is needed;
- Cyclical behaviour: cycles should lead those of the reference series, with no missing or extra cycles;
- Data quality: statistical coverage of the series should be broad;
- Series should be compiled on a monthly rather than on a quarterly basis;
- Series should be timely and easily available;
- There should be no break in time series;
- Series should not be revised frequently.

Why Updating Turning Points is a Crucial Step for the Quality of CLIs?

The OECD method used to update turning points and long-term trend is based on the Phase-Average Trend (PAT) method developed by the United States National Bureau of Economic Research (NBER). The OECD technique includes an option for the specification of input turning points to allow for consistency between component series and reference series within and across countries.

Trend estimation is an important step in detecting cyclical movements and identifying turning points. Having updated the list of past turning points of a series gives a better estimation of the long-term trend and in particular for the most recent period. This is due to the fact that turning points delimit the range of the long-term trend. For example, if turning points have not been updated for a long time, the trend will not fit the data properly and the cyclical amplitudes may not reflect the real cyclical movements of the indicator properly. However, this will not effect the dating of turning points and will not cause any revisions to historical turning point dates. The level of the indicator will change as a result of the re-estimation of the trend and the cyclical movements of the indicator will be revised depending on the strength of the cyclical amplitudes of the indicator. This is illustrated in the graph below, which shows the six month rate of change of the trend restored CLI for the United States before (December 2003) and after re-estimation (January 2004) of the trend with two additional turning points of the reference series specified (a trough in December 2001 and a Peak in June 2002).



Of course, in the case of no new turning points for the reference series, there is no revision to the reference chronology and thus the CLI would remain unchanged. In the case of one new turning point, the revision is generally very small.

In order to perform this update, the OECD Cyclical Analysis and Composite Indicator System (OECD CACIS) research software has been used. The de-trending PAT method used by the OECD is included in this software.

For each country, the OECD CACIS software compiled the long-term trend and then determined the turning points with an automatic detection by PAT on the de-trended series for the reference chronologies and the component series. The new turning points were then checked and confirmed by the OECD Statistics Directorate, and the CLIs for the major seven countries re-calculated.

Results

All results from this exercise can be found at the following address <http://www.oecd.org/statistics/cli-ts>. As discussed above, the chronology of turning points for the reference series and component series as well as the long-term trend has been revised.

The main results of the revision of the turning points for the reference series are:

- For USA and Canada, two new turning points have been added (a trough in December 2001 and a peak in July 2002).
- For Japan, a trough in November 2001 has been added

- For Italy, a peak in December 2000 has been added
- For France, Germany, and United-Kingdom, no new turning points have been added and the last turning point is a peak in 2000.

As the reference chronology has not been revised for France, Germany and United Kingdom there CLIs are unchanged, and the revisions for Italy and Japan are minor.

Future Work

Future work planned for OECD CLIs consists of:

- Updating turning points for all reference chronologies and component series for the other OECD countries for which CLIs are compiled (in total 16 countries);

- Implementing a new procedure to update the turning points of reference chronologies and component series for OECD countries each year using the OECD CACIS research software;
- Compiling CLIs for the big 6 non-member countries (Brazil, China, India, Indonesia, Russia and South Africa) this year and publishing them in the Main Economic Indicators publication;
- Compiling the CLIs for other OECD countries (not already published in the Main Economic Indicators publication);
- Developing a production version of the OECD CACIS research software as well as its user guide and making this product available for general distribution.

For further information on Composite Leading Indicators, please contact Olivier Brunet olivier.brunet@oecd.org

Coming soon

OECD Statistical Programme of Work for 2004

Available on the OECD website from March 2004

National Accounts Meetings: Documents Archives

All electronically available documents from OECD National Accounts expert meetings since 1992 are now available on the OECD web site at:

http://www.oecd.org/findDocument/0,2350,en_2649_33715_1_119669_1_1_1,00.html

All papers are classified by themes in a user friendly structure. Agenda's, minutes and participant lists are also contained on this site.

ACCESS ON LINE DEVELOPMENT

SourceOECD – New and Improved!

By James Kitchen, OECD

At the end of 2003 the latest version of the OECD's online library, SourceOECD, was launched. The London Online Information Exhibition in December provided the ideal venue for presenting the new generation of the service (<http://new.sourceoecd.org>). The feedback from current and potential customers, as well as other data providers visiting the stand, was extremely positive.

In fact, several of the new features incorporated were developed in direct response to comments made by users since the pioneering service was first launched in 2000. Internet technology had also moved on considerably since then. And not least of all, there was the practical issue of capacity. As the number of subscribers had been doubling year on year since the start of operations, SourceOECD was becoming a victim of its own success, with cracks beginning to show. It is estimated that SourceOECD now has a potential audience of 10 million users, including 1 million new ones in Brazil, following agreement with the CAPES Consortium, funded by the Brazilian Ministry of Education.

Working closely with our UK-based technology partner, Ingenta, a complete

rebuild of the site began last Autumn. The result is a simpler user interface, with numerous ways to navigate around the site and find publications.

One of the principle new features is enhanced searching. This allows the text inside PDFs to be included within the advanced search parameters. Users can save their search criteria and now receive e-mail alerts as soon as new relevant titles appear. As well as being searchable, PDFs are being further brought to life and their utility increased. The latest edition of the OECD Employment Outlook was used in London to demonstrate how it is possible for users to click on a graph or table, previously static on the page, but which now links to an Excel spreadsheet containing the underlying figures.

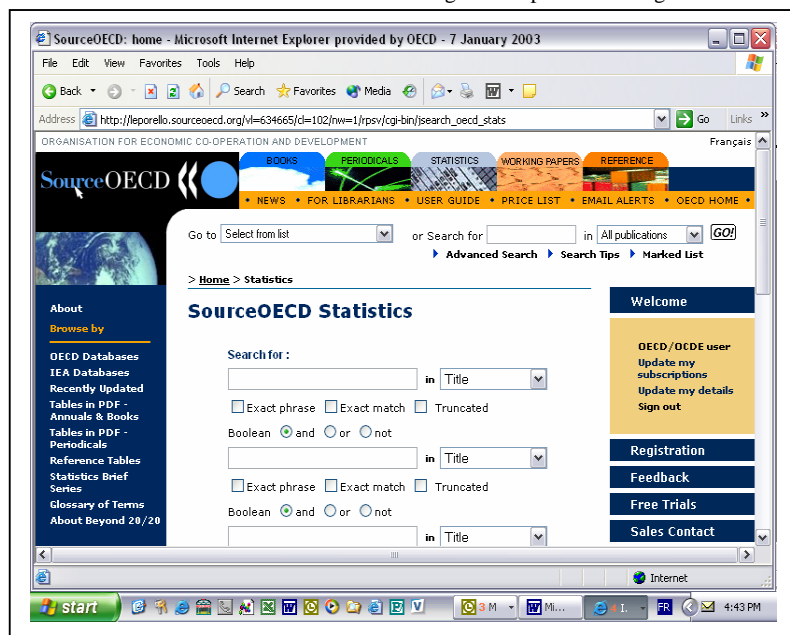
Technically, new SourceOECD will be better able to cope with growing demand. It uses Ingenta's network of servers located around the globe, managing the site's traffic and automatically directing users to the closest, most efficient server available. The one fly in the ointment concerns the statistical databases. For technical reasons, all the files (including OECD Health Data – an important addition to SourceOECD during the course of last year) are stored on a single server, completely separate from the 15 million PDFs hosted by Ingenta for the OECD and other publishers. However, we will be working closely with the company to find a way for the same network technology to be utilised for the statistics, as the databases represent a significant part of all usage on the site

(45% of the average 20,000 downloads per month).

Ingenta will be keen to support this development, as their involvement with Inter-Governmental Organisations increases. Last year the company started providing services to 2 other IGOs – the World Bank and World Tourism Organisation. However, the OECD still remains unique amongst IGOs, and indeed other commercial publishers, by having a single portal through which the range of its electronic publications – books, periodicals and databases – are searchable and accessible by authorised users. Typically, these customers are based at academic institutions, government organisations or large corporations where the decision to subscribe to SourceOECD is made and paid for centrally by a librarian or information manager, in the same way as happens at a 'traditional' library, containing print material. The information – whether in print or online – is free-at-the-point-of-use. From the users' perspective, the most important factors are that the information resource they require is readily available, and easy to find, and this is where SourceOECD comes in.

The new site is currently in the phase we have called 'Public Beta'. This means that we have informed our customers about new SourceOECD and are encouraging them to start using it, but with the caveat that a number of bugs remain to be ironed out and final touches added. Users have been very understanding and helpful in identifying problems, and it is envisaged that this stage will last a couple more months. In the meantime, the original site (<http://www.sourceoecd.org>) will continue to operate as a back up, containing the same list of titles.

Better reliability and faster response times, cleaner layout and fewer clicks to the point of download – all improvements which should ensure that the number of subscribers and most importantly, use of the site, will continue to grow. The other significant feature of the new SourceOECD is an administration tool for librarians, enabling them to monitor the service's level of usage by their patrons. It can be easily anticipated that these results will become part of price negotiations and, ultimately, institutions' decision to renew – an exciting challenge for both the new site and its content! <http://new.sourceoecd.org>.



For more details or questions, contact:
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The Financial Accounts Database: A Revival

By Michèle Chavoix-Mannato,
 OECD

The *Financial Accounts* together with the *Balance Sheets Accounts* form the full Financial Accounts, which belong to the System of National Accounts (SNA):

- the *Financial Accounts*, part of the Accumulation Accounts, record, by type of instruments, the financial transactions between sectors;
- the *Balance Sheets Accounts*, corresponding to the final sets of information in the full sequence of the accounts describing the economic cycle, record the stocks of assets and liabilities held by the institutional sectors, and give a picture of their net worth, at the end of the accounting period.

In 2003, the OECD Statistics Directorate (STD) decided to re-launch, in the framework of the SNA 93, the collection of financial accounts. This activity is carried out under the auspices of the Working Party on Financial Statistics (WPFS). The WPFS, previously managed by the DAFPE, now meets once a year back-to-back with the National Accounts Experts Meeting (NAEM) with a joint day dealing with subjects common to both groups.

What Kind of Information Does the Financial Accounts Database Contain?

A joint OECD-Eurostat questionnaire, based on the SNA 93, is used as a tool to collect comparable data from all OECD countries. It aims at providing relevant and timely statistical data for financial transactions and stocks, both consolidated and non consolidated, to analysts and economists at OECD as well as outside OECD.

The institutional units, which correspond to economic entities

capable of engaging in transactions with other units, are grouped together into the five following categories, called institutional sectors, some of which divide into sub-sectors:

- *non-financial corporations* (S11);
- *financial corporations* (S12);
- *general government* (S13);
- *households* (S14);
- *non-profit institutions serving households- NPISH* (S15).

To these five sectors, which together make the *total economy* sector (S1), is added the *rest of the world* sector (S2), which reflects transactions and assets/liabilities vis-à-vis non residents.

Transactions, which describe the net acquisition of financial assets and the net incurrence of liabilities, and stocks of assets and liabilities at a point in time are grouped into a small number of types of instruments, most of them divided into sub-instruments. Seven categories of financial assets, ordered according to their liquidity, are distinguished: *monetary gold and special drawing rights* (F.1), *currency and deposits* (F.2), *securities other than shares* (F.3), *loans* (F.4), *shares and other equities* (F.5), *insurance technical reserves* (F.6) and *other accounts receivable/payable* (F.7). All of them have a counterpart liability, except the category *monetary gold and special drawing rights* (F.1). The transactions

and stocks accounts also present a balancing item which corresponds to the net value (respectively net acquisition of assets less net incurrence of liabilities and assets less liabilities). Moreover, in order to calculate the final net lending (+) / net borrowing (-) (B.9) of the various institutional sectors, which corresponds to the balancing item of the capital accounts, a statistical discrepancy item is included in the financial accounts.

What is Available in the Financial Accounts database ?

A great volume of consistent data for 23 OECD member countries has already been stored on the OECD ANA-SNA database, which includes tables relating to financial accounts. In 2003, all available data of European Union countries have been extracted from Eurostat's NewCronos database and stored in the OECD ANA-SNA database. They have been completed with data directly received from countries.

Three EU countries, Greece, Ireland and Luxembourg, will provide Eurostat with their data in 2005 only.

Non European countries, for which financial accounts are not readily available and do not follow the SNA concepts and definitions completely, have been able to provide OECD with most data requested in the joint OECD-

Availability of financial accounts by country

Country	Tables	Transactions consolidated	Transactions non consolidated	Stocks consolidated	Stocks non consolidated
Australia		1988-2002		1987-2002	
Austria		1995-2002	1995-2002	1995-2002	1995-2002
Belgium		1994-2002	1994-2002	1994-2002	1994-2002
Canada		1970-2002		1970-2002	
Czech Republic			1993-2001		1994-2001
Denmark		1995-2001	1995-2001	1995-2001	1995-2001
Finland		1995-2002	1995-2002	1995-2002	1995-2002
France		1994-2002	1994-2002	1994-2002	1994-2002
Germany		1991-2002	1991-2002	1991-2002	1991-2002
Hungary		1998-2002	1998-2002	1997-2002	1997-2002
Italy		1995-2002	1995-2002	1995-2002	1995-2002
Japan			1990-2001		1990-2001
Korea		1970-2002	1970-2002	1970-2002	1970-2002
Mexico		1993-2001			
Netherlands		1990-2002	1990-2002	1990-2002	1990-2002
Norway		1995-2001	1995-2001	1995-2001	1995-2001
Poland		2000-2001	1998-2001	2000-2001	1998-2001
Portugal		1995-2002	1995-2002	1995-2002	1995-2002
Slovak		1996-2001	2001	1998-1999	
Spain		1990-2002	1990-2002	1990-2002	1990-2002
Sweden		1995-2002	1995-2002	1995-2002	1995-2002
United-			1987-2002		1987-2002
United States		1988-2002		1988-2002	

NEWS IN BRIEF

Presentation of Data and Metadata: Proposed International Manual

The OECD has been working up proposals for discussion at the United Nations Statistical Commission (UNSC) meeting in New York in early March on the preparation of a manual outlining guidelines and recommended best practice for the presentation of statistical data and metadata disseminated by national agencies and international organisations on various dissemination media. The proposed manual would bring together in the one document relevant presentation guidelines embodied in existing international statistical standards where they exist. In some areas, new standards may need to be developed through a process of wide consultation. Some of the development work on the manual is being undertaken by a task force reporting to the OECD Short-term Economic Statistics Expert Group (STESEG) meeting in Paris on 28-29 June this year.

The need for a comprehensive data and metadata presentation manual comes from the imperatives to improve the quality of statistics presented to users at both the national and international levels, in particular, with respect to interpretability and coherence (within datasets, across datasets, over time and between countries) and the need to minimise the reporting burden of national agencies in their provision of data and metadata to international organisations. At this stage it is envisaged that the manual would include recommendations covering the presentation of different types of data (absolute figures, indices, growth rates) as well as different forms of data (raw, working day adjusted, seasonally adjusted, trend-cycle).

In addition, the manual would provide recommendations on a number of key data presentation practices that have a significant impact on data interpretability. This is important as different approaches currently used by national and international agencies complicate the co-ordination of data collection by different organisations and comparisons of national data, etc. Such presentation practices include:

- data revision;
- series breaks;
- presentation of sampling and non-sampling errors;
- practices in re-basing indices;
- citation practices;
- availability and presentation of metadata.

The UNSC paper describing the proposed manual in more detail is available on the UNSC website at <http://unstats.un.org/unsd/statcom/sc2004.htm> (refer paper E/CN.3/2004/26). Further clarification can also be obtained from the OECD by contacting Denis Ward (denis.ward@oecd.org).

RECENT PUBLICATIONS

□ Institutional Investors Statistical Yearbook 2001

Institutional investors (insurance companies, pension funds, and investment companies) are major collectors of savings and suppliers of funds to financial markets. The role of institutional investors as financial intermediaries and their impact on investment strategies has grown significantly over recent years along with deregulation and globalisation of financial markets.

This publication provides a unique set of comprehensive statistics on institutional saving and investment in the OECD area and updates the statistics published in 2000 under the same title.

From March 2002, the database of Institutional Investors will be available on CD-ROM and online at www.SourceOECD.org. For more information, see: http://www.oecd.org/document-/0,0,2340,en_2649_201185_2741696_1_1_1_1.00.html

□ Trends in International Migration: SOPEMI – 2003 Edition

This report analyses recent trends in migration movements and policies in all OECD member countries and in selected non-member countries. It includes a detailed description of the flows, the different channels of immigration and the diversity of nationalities involved. The report also underscores the contribution of immigration to population and labour force growth and reports on the changes in the sectoral distribution of foreign workers. In addition, it reviews selection policies in relation to labour migration, especially those regarding skilled foreign workers, and examines limits to these policies.

The report also presents measures aimed at improving the management of migration flows, recalling that co-operation with origin countries remains a priority for migration policies. Particular attention is given to the integration of immigrants, with a focus on policies that improve the knowledge of the host country's language, the recognition of migrants' diplomas and qualifications and access to vocational training for low-skilled migrants. The report also includes details about the ongoing process in developing common migration policies within Europe.

□ Foreign Direct Investment Statistics: How Countries Measure FDI

This publication is co-edited by the OECD and the International Monetary Fund, it can be accessed through the following link: <http://publications.oecd.org/acrobatebook/2004021E.PDF>

NEWS RELEASES

OECD Standardised Unemployment Rate Falls to 6.9% in December 2003

The standardised unemployment rate for the OECD area fell to 6.9% in December 2003, 0.1 percentage point lower than the previous month and 0.2 percentage point lower than a year earlier.

In the Euro area, the standardised unemployment rate remained at 8.8% in December 2003, 0.2 percentage point higher than a year earlier. For the United States, the standardised unemployment rate was 5.7% in December 2003, 0.2 percentage point lower than the previous month and 0.3 percentage point lower than a year earlier. For Japan, the standardised unemployment rate was 4.9% in December 2003, 0.3 percentage point lower than the previous month and 0.6 percentage point lower than a year earlier.

Over the twelve months to December 2003, the standardised unemployment rate rose in France from 9.1% to 9.5% and in Germany from 9.0% to 9.2%. In Canada, the standardised unemployment rate was 7.4% in December 2003, 0.1 percentage point lower than a year earlier. In October 2003, the standardised unemployment rate in Italy was 8.4%, 0.5 percentage point lower than a year earlier and the standardised unemployment rate in the United Kingdom was 4.9%, 0.2 percentage point lower than a year earlier.

The standardised unemployment rates for the other OECD countries are available at www.oecd.org/statistics/data (Frequently Requested Statistics).

OECD Standardised Unemployment Rates - percentage of civilian labour force													
	2002	2003											
	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec
OECD-Total	7.1	7.0	7.0	7.0	7.1	7.2	7.2	7.2	7.1	7.1	7.1	7.0	6.9
EU15	7.9	7.9	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Euro area	8.6	8.7	8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
Major seven	6.6	6.6	6.6	6.6	6.7	6.7	6.8	6.7	6.7	6.7	6.6	6.6	6.4
Canada	7.5	7.5	7.5	7.4	7.6	7.9	7.7	7.7	8.0	7.9	7.6	7.5	7.4
Germany	9.0	9.1	9.2	9.3	9.4	9.3	9.3	9.3	9.3	9.3	9.3	9.2	9.2
France	9.1	9.1	9.2	9.3	9.3	9.3	9.4	9.4	9.4	9.5	9.5	9.5	9.5
Italy	9.0	9.0	8.9	8.8	8.7	8.7	8.6	8.6	8.5	8.5	8.4		
Japan	5.5	5.5	5.2	5.4	5.4	5.4	5.3	5.3	5.1	5.1	5.2	5.2	4.9
United Kingdom	4.9	5.0	5.1	5.0	5.0	4.9	5.0	5.0	4.9	4.9	4.9		
United States	6.0	5.8	5.9	5.8	6.0	6.1	6.3	6.2	6.1	6.1	6.0	5.9	5.7

The OECD Composite Leading Indicator continued its upward trend in December 2003

Moderate to strong recovery lies ahead in the OECD area according to the latest composite leading indicators (CLIs). December data signal continued strong improvement in the United States but weaker development for Italy.

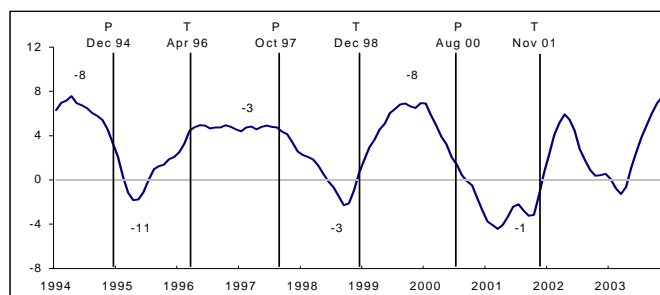
The CLI for the OECD area rose by 0.8 point in December 2003 to 123.6 from 122.8 in November. Its six-month rate of change has also risen significantly since April 2003, following a decline that began in May 2002.

The CLI for the United States increased by a strong 1.6 point in December. Its six-month rate of change was also up substantially for the ninth consecutive month. The Euro area's CLI rose by 0.3 point in December and its six-month rate of change has fallen for the first time after seven months of increases. In December, the CLI for Japan rose by 0.2 point but its six-month rate of change was down for the second consecutive month following six months of increases.

The CLI for the United Kingdom rose by 0.8 point in December and its six-month rate of change was also up for the ninth consecutive month. The CLI for Canada increased by a strong 1.7 point in December. Its six-month rate of change rose for the eighth consecutive month. The CLI for France increased by 0.9 point in December and its six-month rate of change has increased for the past nine months. The CLI for Germany rose by 1.1 point in December and its six-month rate of change has shown strong increases over the past eight months after 11 months of declines. Finally, the CLI for Italy fell a marked 1.5 point in December and its six-month rate of change was down significantly following smaller declines for the past two months.

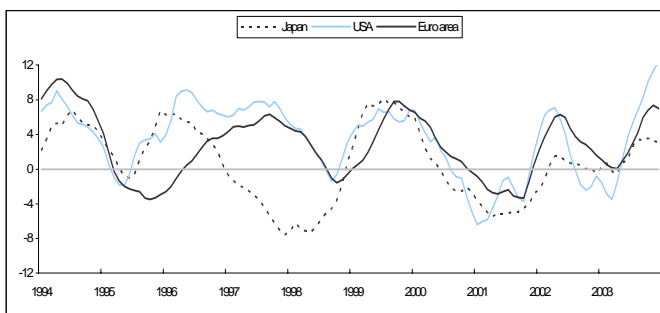
CLI data for all the countries and detailed information on the OECD methodology for CLIs can be found on the OECD website at <http://www.oecd.org/std/cli>

Trend restored CLI (annualised 6-month rate of change) Percentage change: Total OECD



Early signals of the CLI for turning points (P: peak, T: trough) in the reference series, e.g. a peak for December 1994 was predicted by the CLI, 8 months in advance (i.e. -8).

Percentage change: Japan, USA and Euro area



Forthcoming OECD Statistics Meetings

N.B. Unless otherwise indicated attendance at OECD meetings and Working Parties is by invitation only

- 26-27 Feb.** Second Workshop on Composite Indicators of Country Performance, *Directorate for Science, Technology and Industry (STI)* Paris
- 22-24 March** CIME (Committee on International Investment and Multinational Enterprises) Workshop on International Investment Statistics, *Directorate for Financial, Fiscal, and Enterprise Affairs (DAFFE)* Paris
- 1-2 April** OECD Expert Group on Statistical Data and Metadata Exchange, *Statistics Directorate (STD)* Paris
- mid April** Workshop on PPPs, *Statistics Directorate (STD)* Ljubliana, Slovenia
- 26-29 April** Trade Statistics Meeting and Meeting on International Trade in Services, *Statistics Directorate (STD)* Paris
- 30 April** Meeting on Service Statistics, *Statistics Directorate (STD)* Paris
- 3-5 May** Conference on Non Observed Economy – ESCAP and selected NMCs, *Statistics Directorate (STD)* Bangkok
- 24-25 May** Ad Hoc Meeting on Biotechnology Statistics, *Directorate for Science, Technology and Industry (STI)* Paris
- June** Workshop on pension schemes (IMF/OECD), *Statistics Directorate (STD)* Paris
- 1-2 June** Workshop OECD/Paris21 on International Statistical Co-operation, *Development Co-operation Directorate (DCD)* Paris
- 3-5 June** The Second OECD Conference of Ministers responsible for SMEs, On Promoting Entrepreneurship and Innovative SME's in a Global Economy, Istanbul, Turkey
- 7-8 June** High Level Group on Statistics, *Statistics Directorate (STD)* Paris
- 8-10 June** Conference of European Statisticians, *United Nations/Statistics Directorate (STD)* Paris
- 28-30 June** OECD Short-term Economic Statistics Expert Group (STESEG), *Statistics Directorate (STD)* Paris

Other non-OECD Statistical Upcoming Meetings

- 2-5 March** Thirty –fifth Session of the Statistical Commission, United Nations (New York)
- 29 March** Inter-Agency and Expert Meeting on MDG Indicators, United Nations, New York
- 1 April**
- 4-8 April** Workshop on Environment Statistics (Strengthening Statistical Capacity in the ESCWA Region) United Nations Statistical Commission
- 24-26 May** European Conference on Quality and Methodology in Official Statistics, Mainz, Germany
- 9-11 June** 7th International Forum on Tourism Statistics, Stockholm, Sweden

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DATABASE OF THE MONTH

Main Science and Technology Indicators (MSTI)

The OECD Main Science and Technology Indicators (MSTI) database was primarily established to present data collected biannually in the field of science and technology for OECD Member countries and eight non-member economies (Argentina, China, Israel, Romania, Russian Federation, Singapore, Slovenia, Chinese Taipei). The indicators presented in the database cover the resources devoted to research and development (R&D), patent families, technology balance of payments and international trade in highly R&D-intensive industries. These data include final or provisional results as well as forecasts established by government authorities.

Methodology and Data Collection Process

The data in this database are collected in line with the standard OECD methodology for R&D statistics entitled *The Measurement of Scientific and Technological Activities: Proposed Standard Practice for Surveys of Research and Experimental Development -- Frascati Manual 2002 (OECD)*. The Frascati Manual has been continually developed by the Working Party of National Experts on Science and Technology Indicators (NESTI) since the early 1960's and has gone through five successive revisions. The OECD Secretariat has been collecting R&D data for Member countries on a regular basis since the existence of the manual. During the 1990s, it also embarked on the collection of R&D data for selected non-Member economies, eight of which have reached publication standards.

A questionnaire is sent biannually (in January and July) to member countries' statistical correspondents with a deadline for reply in March and September respectively. The publication is then released in December and June. The scope of the questionnaire goes beyond MSTI indicators by collecting more detailed data on R&D statistics. Information on sources and methods are collected at the same time as the data.

Content of the Database

The database contains some 140 internationally comparable time series on: R&D expenditure; employed personnel in the R&D field for business enterprises, higher education and government sectors; source of funding and government budget appropriations or outlays for R&D and; R&D expenditures of foreign affiliates. Expenditures are presented in national currencies, dollar purchasing power parities and as percentages of GDP or value added in industry. Trends in constant prices are also calculated. Data on researchers are presented in full time equivalents on R&D activities, in head counts and sex-disaggregated.

The database also contains three types of proxy indicators on the output of scientific and technological activities that are based on data originally collected for other purposes: these are indicators on patents, the technology balance of payments and trade in highly R&D intensive industries. While they are not direct measures of output, they may throw light on countries' technological performances

Accessing the Data

Data are published biannually on paper and electronically. In the paper publication, series are presented for a reference year and for the last six years for which data are available.

The electronic database provides a larger number and longer time series: data from 1981 onwards are included. The database is in user-friendly software, beyond 20/20TM for WindowsTM, that allows users to extract and export data, prepare customised graphs and tables, and perform their own analysis. The database is available online through www.SourceOECD.org.

We are pleased to answer any question you might have on the database or publication. Please contact Laudeline.auriol@oecd.org or Sharon.standish@oecd.org