



STATISTICS DIRECTORATE

STD/STESEG(2004)2
For Official Use

OECD Short-Term Economic Statistics Expert Group

**Short-term Economic Statistics Expert Group (STESEG):
Task Force on Services**

Summary information on STESEG task force work on services since the beginning of 2003

28-30 June 2004

Room C

Château de la Muette, starting at 9:30 a.m. on the first day

*Prepared by Eun-Pyo Hong
Statistics Directorate
OECD*

Submitted to the Expert Group under item 2 of the draft agenda

Contact: Eun-Pyo Hong (eun-pyo.hong@oecd.org)

JT00165255

TASK FORCE ON SERVICES

a. Executive summary

1. This brief note provides background information on STESEG task force work on services since the beginning of 2003.

2. The note then describes more specifically about the work of the task force with regard to the preparation of a prototype manual on Index of Services Production (ISP) disseminated to attendees at the 2004 STESEG for their written comment by Thursday, 10 June 2004 and discussion at the meeting on 28 June 2004. It concludes with a list of issues (in Part d) that STESEG attendees are asked to consider (amongst others) in their written submissions regarding the prototype Manual.

b. Background

3. STESEG work on services flowed out of the 2002 meeting of the Group. The task force on services (TFS) had initially been asked to pursue a number of broad themes related to indicators for the services sector. At the 2003 STESEG meeting members further identified as a main task for TFS the preparation of guidelines to be used to compile a monthly or quarterly index of services production (ISP). TFS also provides a forum to discuss issues relating to work on the demand for services which is led by the Eurostat.

4. While all members of TFS have participated in the preparation of the prototype manual through their provision of a number of invaluable suggestions and comments, key activities are led by a limited number of members:

- harmonisation or standardisation of definitions or titles for key variables: Canada;
- recommendation of suitable variables and their deflators to be used to compile ISP: UK;
- research on demand indicators: Denmark; and
- other tasks and co-ordination: OECD.

5. TFS's members have so far met twice and will meet again in February 2005. Apart from STESEG meetings, task force work was (and will be) presented to other meetings such as the UN national account meeting, Voorburg Group meeting, etc.

c. Brief outline of prototype manual for the compilation of a monthly index of services production

6. The focus of the ISP Manual when completed will be to provide official statisticians with practical guidelines to compile a monthly ISP rather than mere discussion of various methodological aspects for measuring services activities. It is intended that the Manual will also provide a useful aid for the design of monthly surveys to measure the production of services industries as a by-product. Thus, it borrows from or directly quotes relevant text from a number of publications such as the SNA 1993; various Eurostat manuals; and the OECD Glossary of Statistical Terms. At the same time, the Manual utilises the outcomes from other related discussions such as the Joint OECD-Eurostat Task Force on Services Prices and the Voorburg Group.

7. The ISP Manual is organised in six parts. The first two sections discuss general issues and infrastructure regarding the services sector and its production activities. The third and fourth sections deal with terminology, methods, and input data and their deflators to be used in the compilation of monthly ISP.

Detailed technical issues and implementation and dissemination regarding the compilation of monthly ISP will be presented in sections E and F, respectively.

8. To date, progress has been made in the preparation of text for the first four sections and work for the remaining parts will commence later this year so that a full working version of the manual can be available by the end of 2006.

d. Specific issues for STESEG comment

9. STESEG members are now asked to provide written comments **by Thursday, 10 June 2004** on the following issues, together with any other points/issues they feel appropriate.

- Do STESEG members have suggestions on the overall content of the prototype?
- How do STESEG members view the contents in sections B, C and D of the prototype? Specifically:

For section B

1. STESEG members are invited to provide advice on the (most) appropriate statistical unit(s) for the collection of basic information on services production and to ensure adequate coverage of services sector activity.
2. Do members agree that ISIC should be the primary activity classification used? If yes, should ISIC Rev. 3.1 or ISIC Rev. 4 be used?

For section C

1. STESEG members are invited to provide comment on the various definitions presented.
2. STESEG members are invited to comment of the types and definitions of input variables that can be used for ISP compilation.
3. Do STESEG members believe a clear distinction between turnover/sales/ receipts is necessary?

For section D

1. Do STESEG Members endorse the approach of compiling a table that presents three options?
 2. Do STESEG Members endorse the use of the Eurostat Prices & volume manual as a basis for the principles for deciding appropriate indicators (proxies)?
 3. Do STESEG Members agree that data sources should be those that are the most appropriate indicators (proxies) for measuring short-term change in Gross Value Added?
 4. STESEG members are invited to comment on the tables presented in D.4.2: format and contents.
- STESEG members are finally asked to provide the task force with summary information or references (links) to national practices in their own country with respect to ISP. This includes information/references on the availability of data and their deflators, compilation method for the services sector in their GDP or monthly or quarterly ISP.