

The Statistics Newsletter

for the extended OECD Statistical Network

December 2002

Issue No. 12

The Work Programme of the OECD Short-term Economic Statistics Expert Group

By Denis Ward, OECD

The first meeting of the OECD Short-term Economic Statistics Expert Group (STESEG) was held in Paris on 24-25 June 2002. The meeting, which was attended by 25 OECD Member countries (with a mix of representation from EU and non-EU countries), representatives from several international organisations and staff from several OECD Directorates, identified future work in four areas involving short-term economic indicators. Each of these are described below.

a. Formulation of guidelines for short-term indicators for services

The main priority with regard to short-term economic statistics currently available concerned the need to extend the range of indicators for the services sector. The Group noted the introduction of output indicators (based primarily on turnover) by many Member countries over the last few years, though these indicators were not necessarily comparable, especially with regard to the activities included. The Group also noted the close relationship between future work on the development of demand and output indicators for services and the development of appropriate price indices for this sector.

Finally, in contrast to demand and output indicators for industry, similar indicators for services do not currently receive as much attention (and perhaps use) by the user community at large and there is a need to compile and disseminate information on the use and interpretation of indicators for this sector. This entails clarification of conceptual issues, firming up the relationship between indicators for services and those of other sectors and analysing the impact of movements in indicators for services to the overall business cycle.

There is a need to ensure close contact and co-ordination of STESEG work on these issues with that of the Voorburg Group and the newly created joint OECD-Eurostat task force on price indices for services. To facilitate the dissemination of the work of the task forces on this topic the OECD intends to produce an analytical publication covering demand/output indicators and price indices for services towards the end of 2003.

b. Processes for improving the timeliness of short-term economic indicators

The issue of timeliness received considerable attention during discussions at the June meeting, though many countries highlighted the need for appropriate balance between further improvements in the timeliness of their indicators and accuracy. A range of methodologies and approaches to improve the timeliness of statistics and for achieving the appropriate balance with regards to accuracy were discussed. The use of benchmarking techniques as a possible means for making significant advances in this area was highlighted, especially in the light of the recommendations of the recent EU-US comparison study.

Although not specifically related to improving timeliness, it was felt there would also be benefits in sharing current national benchmarking experiences and techniques to ensure consistency between short-term indicators and annual national accounts, quarterly national accounts and annual survey data.

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Statistics Newsletter

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by 24 December 2002

c. Best practice for the presentation of short-term economic indicators and related work on seasonal adjustment

The issue of comparability was regarded as a key area of future work, though not perhaps in the normal context of the term. Comparability was regarded as having two broad dimensions, comparability over time and comparability between countries.

Of these, enhancing comparability of a series over time was believed to be of higher importance to users and an area of future work for STESEG. Specific work includes the treatment of series breaks, practices for the compilation of back data (backcasting).

Whilst considerable work had been conducted by European Union countries to achieve greater harmonisation of short-term economic indicators it was believed that comparability with non-EU countries had a lower priority with regard to future work. Even within Europe it was felt that it was possible to live with less than perfect harmonisation, especially where the focus is on comparisons of level changes rather than absolute levels.

The Group believed that the focus of work concerning comparability between countries should be to provide greater transparency on key aspects of methodology to enable the user to formulate an assessment of the impact of methodological difference between countries. Issues surrounding the availability of appropriate metadata were discussed during the meeting though it was felt that work on these issues would be more appropriate for other forums such as METIS and SDMX¹.

The main areas regarding presentation that would benefit from future work by STESEG concerned the:

- identification of the different methods for estimation and presentation of growth rates and the preparation of recommendations for best practice and transparency;
- time series length and the adoption of best practice for the presentation/explanation of series breaks in disseminated output.

With regard to seasonal adjustment, Eurostat is in the process of organising a number of groups to work on seasonal adjustment to which the OECD and other international organisations, and non-EU OECD Members are invited to participate. It would be appropriate to place these groups at the centre of international co-operation in the area of seasonal adjustment. However, there are a number of areas which could be addressed by STESEG on seasonal adjustment however, including:

- recommendations on best practice in the dissemination of seasonal adjustment procedures for the benefit of external users;
- formulation of recommendations on the presentation of data including raw data, seasonally adjusted data and trend estimates;
- creation of a website to link seasonal adjustment work being conducted by various national agencies and international organisations (e.g. US Bureau of Census, Eurostat, OECD, Bank of Spain). This includes future research on seasonal adjustment techniques and enhancement of seasonal adjustment software.

d. Best practice to reduce the cost and burden to respondents in collecting short-term economic statistics

Many Member countries are faced with the imperative of reducing the cost of collecting data, both to meet declining budgets, and to reduce enterprise reporting burden. To do this, national statistical organisations are making greater use of administrative data in lieu of direct collection, and using more efficient survey design techniques. It was believed that differing institutional environments between Member countries precluded any significant benefits from any comparative studies on the types of administrative data being used by different countries, though there may be benefit in sharing experiences (successes?) that some countries have had in influencing the

quality (e.g. timeliness) of administrative data provided by other agencies.

Whilst the development and implementation of improvements in this area is obviously primarily a matter of action by national agencies, many delegates also believed that STESEG would provide a useful forum for sharing and discussing experiences across OECD Member countries in the use of techniques to reduce survey cost and respondent load. These include:

- more efficient sample design leading to possible reductions in sample sizes;
- communication with respondents to gain their co-operation;
- use of new data collection/data capture techniques including the internet as a medium for collecting information from respondents, exchange of information on recent innovations in this area and analysis of the cost and benefits of their implementation.

Future STESEG work

Separate task forces have been created to work on each of the first three topics listed above, i.e. services, timeliness and best practice for presentation and related work on seasonal adjustment. Membership of the task forces comprise delegates from both EU and non-EU Member countries of the OECD. Over the next nine months the task forces will have responsibility for preparing specific recommendations advancing work in these areas for presentation and discussion at the June 2003 STESEG meeting. In the main, the task forces will work via electronic discussion groups that have been created by the OECD Statistics Directorate.

Work on the fourth topic, the reduction in the cost and burden to respondents in collecting short-term economic statistics will primarily entail the identification and exchange of best practice in OECD Member countries. Information on these practices will be disseminated via the internet. They will also be discussed as one of the agenda items at next years STESEG meeting.

Further background information on each of the four STESEG work topics are available on the STESEG website at www.oecd.org/std/meeting-papers. Alternatively, clarification on the future activities of the Expert Group can be obtained from denis.ward@oecd.org.

¹ Refer to the Statistical Data and Metadata Exchange (SDMX) initiative at <http://www.sdmx.org> and the UNECE Work Session on Statistical Metadata (METIS) at http://www.unece.org/stats/archive/02_03_e.htm.

Specific issues regarding metadata include:

- the need to provide information on revision practices for each indicator;
- the need to provide simple documentation on differences in national practices in key aspects of methodology. The quantitative measurement of differences between countries was not considered practicable;
- practices for the dissemination of metadata in online databases and websites.

Improving the Quality and Comparability of the OECD Government Finance Data

By François Lequiller OECD

The OECD Economics Department and OECD Statistics Directorate have agreed on the implementation of a new definition of general government total outlays and receipts. This article outlines the changes in the new definition. It also considers the treatment of general governments' implicit liabilities in respect of their employees' unfunded pension plans.

General government total outlays and receipts.

Despite their wide use, the SNA does not give a definition of general government total outlays. Some years ago, the OECD developed its own definition, taking into account the availability of data at that time. This definition was based on the national accounts concept of *final consumption of the general government*. However, this aggregate has a significant shortcoming in the context of the compilation of total outlays. For example it treats sales of government agencies as negative expenditure, even though they are clearly receipts for the general government. In addition, capital transfers were netted out in this definition.

In coordination with Eurostat, the OECD Statistics Directorate decided to move to a new definition of total expenditures and revenues that will not unduly decrease the amount of expenditures by the amount of sales. This new definition was discussed at the recent meeting of OECD national accounts experts and is supported by the table on simplified government accounts

which is part of the official transmission program to the OECD of national accounts data.

Government expenditure figures for all countries are increased by this new treatment, but the increase can be different from one country to another. For example, Australia's figure is increased by an amount equivalent to 3.4% of GDP, the US by 3.7%. The largest increase is for Sweden (+5.2%), the lowest for the UK (+1.7%) -see chart. The aggregate for total receipts is modified exactly in parallel with total outlays, leaving net lending/borrowing unchanged.

In the view of the OECD, this new definition is more accurate. In addition, it will make this indicator more consistent across international organisations and with many national practices. This new definition is already implemented in the OECD Statistics Department's publications and is planned to be used in the Spring 2003 Economic Outlook. At the time of writing there remains a problem with eight Member countries that have not yet fully completed the data set that allows the compilation of this new definition.

Implicit liabilities of general government employees unfunded pension plans

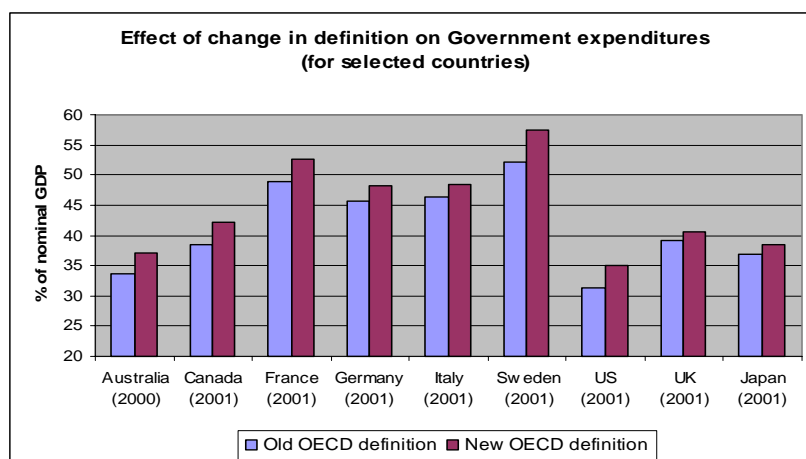
At the time that the SNA was drafted, this is in the 1980s, the issue of pensions schemes were not perceived as acutely as they are today. In addition, business accounting standards and general government accounting standards were less developed than they are today. As a result the current SNA treatment of pension schemes is no longer perceived as fully appropriate.

In recent years, in several countries, such as the USA, Canada, Australia and New Zealand, a small revolution has taken place regarding general government accounting standards. They have evolved from cash basis to much more elaborate accrual-based accounting systems. Part of this move covered the recognition by these countries' governments of the (implicit or explicit, depending on the point of view) liability they have in regard to the future pension benefits of their own employees. Actuarial estimates are now made of these pension liabilities on a current basis by the accounting authorities.

This move has incited the national accountants of these countries to include these liabilities in their core national accounts table, while the SNA does not yet fully recognise the implicit liability of *unfunded* pension schemes and only recommends these liabilities to be compiled as memorandum items. As a result, the OECD adjusts some of these countries' data on gross and net debt. For example, the gross debt data transmitted by Canada is adjusted by excluding unfunded liabilities with respect with their employee pension plans, i.e. 20% of GDP.

The IMF and the OECD Statistics Departments have officially started a process to reopen this issue, as part of the updating of the SNA. There is growing support among statisticians in favour of adapting the SNA to the new standards of government accounting. In practice, this issue is going to be discussed among an international task force of statisticians during 2003, with possible new recommendations to be adopted by the accounting body of the SNA in 2004.

For more information see "Improving the Quality and Comparability of OECD Fiscal Data", available on OLIS ECO/CPE/STEP(2002)7, or contact francois.lequiller@oecd.org.



International Comparisons of Company Profitability

By Richard Walton, Monetary and Financial Statistics Division, Bank of England.

The third of an annual series of articles, *International Comparisons of Company Profitability* (UK Economic Trends

15 October 2002) considers international profitability against the economic background of the imbalances between the manufacturing and service sectors. 34 countries contributed to the survey run by the Bank of England/Office of National Statistics-14 for the first time.

Top countries, by recent profitability

Rank	All companies	Manufacturing	Services
1	Norway	Belgium	USA
2	Finland	Australia	Norway
3	Belgium	Finland	Finland
4	UK	Spain	Spain
5	Estonia	Denmark	UK
6	Italy	Netherlands	Mexico
13		UK	

Although there was a decline in corporate profitability in 2001, the United Kingdom non-financial corporate sector maintained fourth position in the world league table. Companies in Norway were the most profitable in the world, driven by companies in the service sector and in oil and gas exploration and production. Within the manufacturing sector, the profitability of UK companies fell to the bottom of the international league table. Profitability of UK service sector companies retained fifth place for the second year running, behind service companies in the United States, Norway, Finland and Spain. Following data received for first time from France and Italy, a measure of company profitability in the Euro-area was constructed. This indicator was used to analyse the degree of convergence in rates of return with the United States and the UK. European companies are now more profitable than companies in the United States. The article also reviews profitability of industry in Canada, in Asia, countries seeking to join the European Community, Israel and, for the first time, Australia, South Africa, Iceland, Mexico and in China. The article also includes reviews of the profitability of products in Russia and the Competitive Trend Index in Ecuador.

The rate of return in this article has been defined as the ratio of profits to capital employed. The rate of return can be calculated in many ways, but this is considered the most important measure of profitability because it expresses the return on invested capital. The net rate of return uses capital estimates which are net of capital consumption and is more widely used than the gross rate of

return. The sources of data are national accounts in most countries. In a few countries, financial indicators of business activity have been used which draw on data from balance sheets and the profit and loss accounts of surveys of enterprises.

The use of national accounts data has distinct advantages over company accounting:

- National accounts definitions and concepts for operating surplus net of depreciation in ESA95/SNA93 are consistent across all firms and over time. When conventions have changed, historic as well as current data are revised.
- National accounts data are gross of corporate taxes.
- Accounting conventions differ across countries and even within countries in the measurement of profits in company accounts. Accounting in Europe is geared rather more towards creditor protection than are US accounting policies. There are differences in the capitalisation of intangible assets related to computer software and in running costs which in Europe have to be included directly in the profit and loss account. In the US, operating earnings exclude items that firms choose to describe as extraordinary. Profits may also be distorted in company accounts because of inflation. Company accounts are often published with a huge time lag.
- There are differences also in accounting for capital: the list of items which can and cannot be capitalised, service lives, the rate and method of depreciation, how to deal with write-offs from bankruptcies and closures and different valuation rules for fixed and intangible assets.
- Capital is measured at current replacement cost, rather than at the prices at which the assets were purchased. Comparison of current income streams achieves consistency and coherence.
- National accounts cover the earnings of the resident corporate sector, not just publicly quoted companies.
- Data in the non-financial sector of the national accounts are consistent with those for other sectors of the economy.

The article recognises that even with comparable data care must be taken in analysis, given different structures and capital intensity of economies, institutional differences in corporate financing, the tax burden and different business cycles and rate of technological change. It follows that differences between countries can reflect a mixture of real differences in profitability and the results of differences in calculations. In this third world survey, these differences in calculation have continued to be minimised as a result of the use of national accounts data sources. In virtually every case, countries will, however, have calculated profitability consistently over time. Rises and falls will reflect real changes in their economies.

For more information see the full article http://www.statistics.gov.uk/articles/economic_trends/ET587_Walton.pdf or contact Richard.Walton@bankofengland.co.uk

Timeliness and Accuracy of Consumer Price Indices. The Influence of the Price Collection Period

By Floris van Ruth, Statistics Netherlands

Improving the timeliness of (macro-economic) statistics is a key issue in statistics today. This drive for speed is fuelled by the demands of policymakers, the European Central Bank (ECB) and financial markets. The suggested approaches range from streamlining the production process of statistics to the use of advanced econometric models. Somewhere in the middle lies adapting measurement timing and duration. It is proposed to shorten the measurement period or to shift it to the beginning of the month.

However, this may well clash with another important quality aspect of statistics, accuracy. Until now, no quantification of the effects of changes to the measurement period on statistics was known.

Recently, a study was done at Statistics Netherlands into the influence of the duration and timing of the price collection period on monthly consumer price indices. Current practice of price measurement in the EU varies widely across countries, with many countries

collecting prices only during part of the month. The rate of inflation derived from these indices is a core macro-economic statistic. Therefore, this is a good test case for studying the influence of changes in the measurement period on accuracy.

In this study Dutch price data were used for a number of products for which weekly prices are available, such as petrol and supermarket scanner data. Price indices were calculated based on prices in week one, two and three and based on average prices during two or three week periods of a month. Next the average errors with respect to the reference (whole month) price index were calculated.

The average errors in single-week indices turned out to possess significant errors, in the order of magnitude of the average month-to-month change in the reference index. There was no difference in performance between indices based on week one, two or three.

The multiple-week indices exhibited smaller errors, with three-week indices performing better than two-week ones. Roughly speaking, adding a week of measurement halves the error.

The conclusion can be drawn that the timing of the price measurement within the month has no influence on the accuracy of inflation measurement.

This offers possibilities for a faster production of the inflation rates by taking measurements early in the month. But caution is in order, as it also became clear that shortening the measurement periods carries a significant cost in increasing errors. It is natural to assume that these problems worsen as price changes become larger and more frequent. We checked this by ranking the items according to a standardised measure of total price volatility. Average errors were found to be increasing almost linearly with increasing price volatility. Interestingly, there was little difference in average errors for one, two or three week price observation periods for items with low price volatility. This validates current price collection practice in the Netherlands, where goods that often change in price, such as fresh fish and vegetables, are observed three times a month. Other items, with a much slower rate of price change, are observed less often.

To summarise, this study provides insight into the effects that shortening or

shifting the price collection period has on price indices. The loss in accuracy has been quantified and linked to item price variability. These results can be of use in the discussion on how to improve the timeliness of short-term statistics. Although the outcomes probably cannot be generalised to other statistics, they give an indication of the consequences of these two obvious methods for a faster production of statistics.

Hey! It Pays to Fill in Statistical Forms, in Spain!

By Manuel González Dávila and Pedro Revilla Novella, INE Spain

In order to achieve excellence, any organisation must be concerned about its customers, employees and suppliers. As the official bureau in charge of Spanish industrial statistics, INE has to cope, particularly, with the dissatisfaction of its data suppliers: the enterprises that have to fill in its forms. Some years ago in the early nineties many firms were fed up with the task of filling in the forms, but now they can say that "It pays, it is worth filling in statistical forms". Why?

At around same time, we found that we were achieving customer satisfaction (from people who pay for tailored data requests), following the results of the various studies carried out. So what to do? Well, if our clients are satisfied, and if, on the other hand, our suppliers are not. Let's try to change our suppliers into customers!

We decided to offer some statistical data in exchange for our forms. But we didn't know what data could be of interest to our data suppliers.

The chosen solution was to make a general offer with a phone survey in the 1992 Industrial Survey. We should emphasise the content of the first paragraph of our 1992 offer "As small compensation for the nuisance that the filling in of our questionnaire can cause...". So, we plainly accepted that to fill in our questionnaires could be burdensome. And that a way to compensate for it is to offer what we produce, i.e. statistical data.

It is a kind of an exchange, because the requested data will only be sent to the companies sending us the filled in questionnaire: If there is no questionnaire, then there is no data.

But which statistical data could we send them? We found that they were not interested in general statistical data; what they are looking for is some very specific data aimed to help the company locate its position in the market, related to its competitors. So, now, each informant unit is offered with the computation of their market share in their particular business activity.

The market share is normally computed using the turnover, but the firm can request to compute it in a different way, for instance by computing it in a specific commodity that it is interested in.

And it is also offered the number of companies with a bigger market share and the global share of those bigger companies combined - subject to the need for INE to protect firm's confidential data. We were told many times that the ideally that the company would like to know the individual market shares of competitors, but due to the necessity to protect the confidentiality, INE can only offer the more limited information described above.

As an actual example, one of our reporting units has just received a computation of the market share in its business activity as 0.30%. There are 47 companies with bigger market quota and those 47 companies have a global market share of 35.79%. It seems that this is a case of a market with strong competition, and that the market survey suggests that the company is not so far from the leading positions in terms of size.

In another case, a firm requested its market share in a commodity (a specific paint for varnishing) and we found out that it had a market share of 2.13%. There were only 5 companies with a bigger market share. Those 5 companies had a global market share of 25.65%. In this case there is much higher market concentration.

How many companies agree to that sort of data for data exchange? In the last

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year (2001), more than 11 000 enterprises have received our market studies as a payment for the forms. As we have received about 70 000 forms, we are rewarding firms for the filling of about 1 in 6 reporting companies. But, what about the other 5 remaining ones. What we have noticed is that the person inside the company with the task of form filling is not normally interested in our market studies and we are making efforts in order to inform the firms' management of our data offer.

To summarise, Previously, on many occasions, when talking with companies, they told us: *what use is it to me to answer your questionnaire?* Now, sometimes, when receiving the market studies offer, they say: *Hey! INE gives something in exchange!*

We have a new relationship paradigm with the reporting companies that is based on a partnership of mutual collaboration:

- The reporting units provide individual information that we cannot get in any other way.
- We provide individual information that the reporting units cannot get in any other way.
- We currently supply to the reporting companies a market study that the company can use to estimate its position in the market, related to its competitors. This information is computed based on the data of each company, comparing it with those of the other reporting units.

So in Spain it pays to answer those questionnaires!

For more information contact mgdavila@ine.es or previlla@ine.es

Sixth International Forum on Tourism Statistics Budapest, 25-27 September 2002

By Alain Dupeyras (OECD), Ákos Probáld Hungarian (CSO), and Hans-Werner Schmidt (Eurostat)

The 6th International Forum on Tourism Statistics was co-organised by the Hungarian Central Statistical Office, the Hungarian Prime Minister's Office, OECD and Eurostat. 189 experts from 36 countries, representing governments, the tourism industry and universities participated in this meeting. The forum was opened by the President of the Hungarian Central Statistical Office, the Deputy State Secretary of Tourism of Hungary, the OECD Chief Statistician and the Head of the Tourism Unit at Eurostat.

The aim of the Forum was to consider what information is required to gain a better understanding of the tourism economy and how to organise this information to make better policy and business decisions. The main issues discussed were Tourism Satellite Account (TSA) developments, 11 September impacts and assessments, various methodological developments, regional tourism, spa and conference tourism. About 60 speakers made presentations in parallel sessions. Detailed information (and papers) is available on the forum website <http://w3.ksh.hu/tourforum/>. The proceedings (CD-Rom and hard copy) will be made available around the end of November 2002.

The Forum contributions have proved to be very useful in advancing further key statistical issues and in influencing governmental work on tourism statistics.

The Tourism Satellite Account (TSA) project is a key priority in many OECD/EU countries and more and more data are now becoming available in this area; more focus however should be put on emerging conceptual problems when implementing the TSA and on the use, interpretation and limits of TSA data for policy and business decisions. Within the EU, more and more countries are starting initial work in this field, and more results will be presented at the next forum in 2004.

The issue of employment and tourism is a burning one for policy makers in Europe and all over the world. Together

with experts from OECD and ILO, the European Commission is furthering a new approach on how to measure the employment in European tourism and, especially, how to increase and stabilise employment in this field of activity.

New areas of tourism statistics are emerging (Sustainable development, Spa and Conference tourism) and these are to be better taken into account in the overall tourism statistics system; this will affect concepts, definitions and classifications. After 11 September, there is also an important demand for some short term tourism statistics systems enabling the provision of timely, robust and policy relevant information on the whole sector.

As regards comparability of statistics, the passing of the European Union Council Directive on Tourism statistics, has provided a basic framework to build on, and as the enlargement process in Europe goes on, it will be the basis for tourism statistics collection for more and more countries in the near future. However, the individual variables and definitions have still to be aligned and harmonised. Work is under way in this direction, but has not yet been completed.

Overall, the Forum illustrated the mosaic of statistical projects that exist in the public and private sectors in this area. International co-operation among OECD and EU countries, but also with Mediterranean countries and Eastern European countries has proved also very useful in enriching the debate and in pushing the discussion and the conclusion of discussion further in the appropriate bodies of OECD and Eurostat.

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RECENT PUBLICATIONS

□ Measuring the Information Economy 2002

This new electronic publication produced by the Science, Technology and Industry Directorate is freely available on the web at www.oecd.org/sti/measuring-infoeconomy. It includes over 80 indicators based on the most up-to-date official statistics on the information economy.

It is largely based on work done by the OECD Working Party on Indicators for the Information Society (WPIIS) to develop ICT sector and ICT usage indicators. Back in 1998 WPIIS had to start in a vacuum of official statistics on the information economy, it had to define concepts and develop guidelines. In 2000 OECD started to collect data on the ICT sector, in 2001 data on ICT usage and in 2002 greatly improved the comparability and coverage of the data and used them together in *Measuring the Information Economy*.

MIE 2002 is a Web book and you can click on the data in Excel spreadsheets underlying the charts and figures, or print the pdf file. In particular, for the first time, ICT sector time-series and metadata are disseminated electronically.

What's inside?

- **How "big" is the ICT sector?** Growing but still accounting for a relatively small share of OECD economies.
- **ICT diffusion and investment** has been the most dynamic component of overall investment over the last decade, albeit to a different extent across countries.
- **Larger European countries lag behind.** On average Europe is lagging behind the United States in terms of specialisation in ICT production and ICT diffusion. In addition, European spending on IT research and development trails significantly, as does the rate at which they apply for IT-related patents, an indicator of innovation. Averages, however, hide wide differences between smaller and Northern European countries on the one hand, and larger European countries.
- **Businesses accessing the Internet: size and sector matter.** Aggregate figures on Internet access hide a great heterogeneity across firms and sectors. In general, Internet access is highest in larger enterprises and the most intensive business users are generally firms in finance and insurance, business services, and wholesale trade. Retail trade has the lowest Internet access rates.
- **What do people and businesses do with the Internet?** Internet access is soaring everywhere, and it is highest in Northern Europe and North America. But once people and businesses have access to the Internet what do they do with it? MIE 2002 contains the latest comparisons of usage patterns.
- **Internet transactions – still relatively small, business to business and domestic.** The relative size of Internet sales is still small (between 0.2% and 2% of total sales) and not growing very fast. Internet transactions still occur mostly among businesses and within national borders.

What's next?

In the publication only part of the data collected is actually used to highlight trends and carry out international comparisons. There is much more data to be exploited, especially on the supply side where now we start having time

series and can isolate individual ICT segments. On the usage side we are looking at some more elaborate tabulations of ICT use in business in the context of the OECD project on ICT and business performance. If you want to know more about this project, please visit our website at: www.oecd.org/sti/measuring-ind-performance

□ Main Economic Indicators Price Indices Comparison Publication

The OECD has recently released a new publication that compares methodologies used by Member countries in the compilation of key price indices. It is the second supplement in the *Main Economic Indicators: Comparative Methodological Analysis* series, which covers economic indicators contained in the OECD's monthly publication, *Main Economic Indicators* (MEI). The series differs from its companion methodological publication *Main Economic Indicators: Sources and Definitions* in that it contains more extensive analysis of the methodologies used to compile specific economic indicators published in MEI.

In this second supplement, the comparisons are restricted to consumer and producer price indices. The study of price change is intrinsic to the analysis of macroeconomic developments and a variety of tools are used to measure price changes. These include consumer price indices (CPIs), price indices relating to specific goods and/or services, GDP deflators and producer price indices (PPIs). Whereas CPIs are designed to measure changes over time in average retail prices of a fixed basket of goods and services taken as representing the consumption habits of households, the purpose of PPIs is to provide measures of average movements of prices received by the producers of commodities. Examination of the comparison tables in the second supplement show that methodologies used for compiling most of the CPI and PPI series presented in MEI are not always comparable across countries. In fact, the Comparative Methodological Analysis series highlights the fact that this is true for most of the statistical series contained in MEI.

For some series (e.g. PPIs, hourly earnings) the differences are significant, for others less so. Although the extent of comparability varies from series to series, the publication generally illustrates the point that international statistical comparability, whilst a desirable goal for cross-country analysis, is seldom achieved. In many instances, the most that can be achieved is that countries compile series within the broad framework of existing international statistical guidelines and recommendations, and provide sufficient methodological information to enable the user to assess whether differences in methodology have any significance in relation to the analysis being undertaken.

The Comparative Methodological Analysis series makes this methodological information more readily available to users of international statistics. The information in each supplement should enable national statistical institutes and other agencies that compile economic indicators to compare their methodology and data sources with those used in other countries, as well as with international standards. It also should add transparency to the methodologies behind the data in MEI, thereby minimising the likelihood of misinterpretation of the data and a misunderstanding of economic phenomena.

Main Economic Indicators: Comparative Methodological Analysis Supplement Two can be accessed at

<http://www.oecd.org/std/mei> under “national methodological practices – other methodological papers and publications”. The first edition covering industry, retail and construction indicators also can be found at the same place. A third publication covering employment and unemployment indicators will be published towards the end of 2002. Subsequent editions will provide similar comparisons for labour force earnings; business and consumer opinions; composite leading indicators; foreign trade; and finance.

□ **Energy Statistics of Non-OECD Countries: 1999/2000 – 2002 Edition**

This publication is the fourth edition of a new IEA publication offering the same in-depth statistical coverage in original units as the homonymous publication covering OECD countries. It shows data for over 100 non-OECD countries and regions, including developing countries and economies in transition, Central and Eastern European countries and the former USSR. It contains data on energy supply and demand for coal, oil, gas, electricity, heat, combustible renewables and waste. Historical tables summarise data on production, trade and consumption of coals, crude oil and oil products, natural gas, electricity, heat and renewables. Each issue includes definitions of products and flows and explanatory notes on individual country data.

In *Energy Balances of Non-OECD Countries*, the sister volume of this publication, the data are presented as comprehensive energy balances expressed in million tonnes of oil equivalent.

□ **International Trade by Commodity Statistics: 1996/2001 – Volume 2002 Issue 2**

This reliable source of yearly data covers a wide range of statistics on international trade of OECD countries and provides detailed data in value by commodity and by partner country. Each of the first four volumes of *International Trade by Commodity Statistics* contains the tables for seven countries, published in the order in which they become available. The fifth volume includes the OECD main country groupings (OECD-Total, NAFTA, OECD-Asia and Pacific, OECD-Europe, EU-15, etc.).

For each country, this publication shows detailed tables relating to the Standard International Trade Classification (SITC), Revision 3, Sections and Divisions (one- and two-digit). Each table presents imports and exports of a given commodity with about one hundred partner countries or country groupings (NAFTA, etc.) for the most recent six-year period available.

□ **Frascati Manual 2002 – Proposed Standard Practice for Surveys on Research and Development**

In an era of rapid technological change, research and development (R&D) is an important element of economic growth. Monitoring the R&D efforts of industry, governments and universities is key to successful policy making and analysis.

The Frascati Manual has become the internationally recognised methodology for collecting and using R&D statistics, and is an indispensable tool for statistical offices around the world. It includes definitions of basic concepts, guidelines for collecting data and the classifications to be used in compiling statistics.

This updated sixth edition includes improved guidelines that address changes in OECD economies, including the measurement of R&D in the service sector, globalisation of R&D and human resources in R&D.

The Manual will also be published as a Web book to enable updates to be made as they become available.

□ **Programme for International Student Assessment (PISA): Manual for the PISA 2000 Database**

The OECD Programme for International Student Assessment collected data on students' performances in reading, mathematical and scientific literacy, as well as contextual information on students' background, home characteristics and school factors which could influence performance.

This publication describes the OECD PISA 2000 international database. The PISA 2000 database comprises micro-level data on student performance for 32 countries collected in 2000 and processed during the second half of 2000 and 2001, together with students' responses to the questionnaires and the test questions. The first results were released in December 2001 and presented in the publication *Knowledge and Skills for Life: First Results of PISA 2000* (OECD, 2001).

The purpose of this publication is to provide all the information required to understand the PISA 2000 database and perform analyses in accordance with the complex methodologies used to collect and process the data. It does not provide detailed information regarding these methods but rather directs readers to the publications which cover these aspects. The PISA 2000 database can be downloaded from www.pisa.oecd.org.

About the OECD Programme for International Student Assessment (PISA)

PISA is a collaborative process among all OECD Member countries and some non-OECD countries which brings together scientific expertise from the participating countries and is steered jointly by their governments on the basis of shared, policy-driven interests.

Important characteristics of PISA for measuring student performance are: – The literacy approach: PISA aims to define each domain (reading, mathematics and science) not merely in terms of mastery of the school curriculum, but in terms of the knowledge and skills needed for full participation in society.– A long-term commitment: Over the decade to come, PISA will enable countries to monitor, regularly and predictably, their progress in meeting key learning objectives. The age-group: By assessing 15-year-olds, i.e. young people nearing the end of their compulsory schooling, PISA provides a significant indication of the performance of school systems. The relevance to lifelong learning: PISA does not limit itself to assessing students' knowledge and skills but also asks them to report their own self-regulated learning, their motivation to learn and their preferences for different types of learning situation.

□ The Manual on Statistics of International Trade in Services

The Manual on Statistics of International Trade in Services is a joint publication of six agencies: the UN, EC, IMF, OECD, UNCTAD, and WTO. It addresses a growing demand from governments, businesses and analysts for more relevant, detailed and internationally comparable statistics on services trade. Special emphasis is given to the statistical information needs of international trade negotiations and agreements.

The Manual provides a coherent internationally-agreed conceptual framework within which countries can structure the statistics they compile and report on international services trade. It builds on and links to existing standards, in particular the fifth edition of the International Monetary Fund's Balance of Payments Manual and the 1993 System of National Accounts. It categorises the services that are traded internationally, and how they are traded in practice, taking into account the modes of supply of services.

The electronic version is available free from OECD at <http://www.oecd.org/pdf/M00037000/M00037097.pdf> and from the other publishing partner agencies.

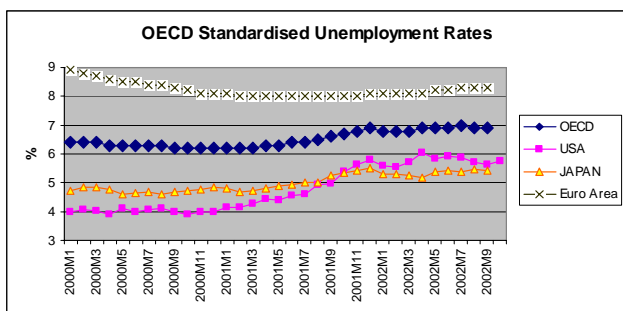
For more information about trade in services and links to other agency websites go to www.oecd.org/std/trade-services.

PRESS RELEASES

OECD Standardised Unemployment Rate remains at 6.9% in September 2002

08/11/2002 – The standardised unemployment rate for the OECD area (1) was 6.9% in September 2002, the same rate as in the previous month, but 0.3 percentage point higher than a year earlier.

In the Euro area, the standardised unemployment rate remained at 8.3% in September 2002, 0.3 percentage point higher than a year earlier. For the United States, the standardised unemployment rate was 5.7% in October 2002, 0.1 percentage point higher than the previous month and 0.3 percentage point higher than a year earlier. The standardised unemployment rate for Japan was 5.4% in September 2002,



0.1 percentage point lower than the previous month, but 0.1 percentage point higher than a year earlier.

Over the twelve months to September 2002, the standardised unemployment rates rose in France from 8.5% to 8.8%, in Germany from 7.8% to 8.3% and in Canada from 7.2% to 7.7%. Over the twelve months to July 2002, the standardised unemployment rate in Italy fell from 9.5% to 9.0% and the

standardised unemployment rate in the United Kingdom rose from 5.0% to 5.2%.

The standardised unemployment rates for the other OECD countries are available at www.oecd.org/statistics (frequently requested statistics).

The next publication date of the OECD's standardised unemployment rates will be on 6 December 2002.

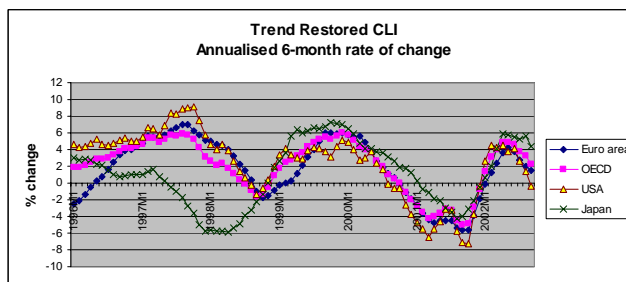
OECD Composite Leading Indicator falls in September 2002:

Decrease in all G7 countries except Italy

08/11/2002 – The Composite Leading Indicator (CLI) for the OECD area fell by 0.3 point in September 2002 to 115.9 from 116.2 in August. The six-month rate of change has decreased for four consecutive months.

The CLI for the United States fell by 0.9 points in September. Its six-month rate of change has fallen for three consecutive months. The CLI for the Euro area in September remained at the same level as the previous month but its six-month rate of change has fallen for four consecutive months. In September, the CLI for Japan fell by 0.2 points and its six-month rate of change was down.

The CLI for the United Kingdom dropped by 0.4 points in



September. Its six-month rate of change has fallen for four consecutive months. The CLI for Canada was down by 0.3 points in September and its six-month rate of change has fallen for five consecutive months. The CLIs for France and Germany have fallen for four consecutive months, as have their six-month rates of change. Finally, both the CLI for Italy, and its six-month rate of change have risen for two consecutive months.

More on CLIs: <http://www.oecd.org/std/cli>

The next publication date of the OECD's CLI will be on 6 December 2002.

Please send articles or feedback for inclusion in the January 2003 issue of Statistics Newsletter to STD.STATNEWS@oecd.org By 24 December 2002

Forthcoming OECD Statistics Meetings

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

2002

5-6 December Special Educational Needs Statistics and Indicators, *Centre for Educational Research and Innovation* (CERI), OECD Paris

7-11 December Business Tendency Surveys and Leading Indicators (for ECLAC countries), *Statistics Directorate* (STD), Rio de Janeiro, Brazil

9-11 December Statistical Working Party of the Committee on Industry and the Business Environment, *Science, Technology and Industry Directorate* (DSTI), OECD Paris

12-13 December Statistical Working Party of the Tourism Committee, *Science, Technology and Industry Directorate* (DSTI), OECD Paris

2003

20-24 January Regional Workshop for West Africa, Development Assistance Committee, *Development Co-operation Directorate* (DCD) PARIS21/AFRISTAT/ECOWAS, Part 1 - Senegal,

3-4 February Financial Services Task Force, *Statistics Directorate* (STD), OECD Paris

5-6 February Task Force on Insurance Services in National Accounts, *Statistics Directorate* (STD), OECD Paris

Other International Statistical Meetings

3-4 February 2003

Committee on Statistics and Macroeconomic Analysis of Tourism, WTO Headquarters, Madrid. For further information: stat@world-tourism.org

The **Statistics Newsletter** is published by the Statistics Directorate of the OECD

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Deadline for articles for the next issue is **24 December 2002**

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DATABASE OF THE MONTH

National Accounts of OECD Countries

Volume I: Main aggregates and Volume 2: Detailed Tables

The **National Accounts of OECD Countries 2002 Edition** provides main aggregates and, where available, detailed information for all OECD Member countries. It is published by the OECD Statistics Directorate. It provides economists and researchers with a unique source of up-to-date and historic comparative statistics and information on national accounts. A country's national accounts provide systematic data on a wide range of domestic economic activities together with their inter-relationships, and also details of economic transactions with the rest of the world.

GENERAL DESCRIPTION

The present publications have been prepared from statistics reported to the OECD by Member countries in their answers to national accounts questionnaires. These questionnaires are designed to collect internationally comparable data according to the *System of National Accounts 1993* (1993 SNA). Although Member countries have all agreed to adopt the 1993 SNA, a number are still using the 1968 SNA or can give data for only a few years according to the 1993 SNA. There are numerous differences between the two systems as regards valuation, classifications and definitions, and these must be taken into account when comparing data compiled according to different systems. In this issue, the national accounts for two OECD countries (Switzerland and Turkey) are still presented on the basis of the 1968 SNA.

National accounts aggregates are shown at both current and constant 1995 prices. To facilitate inter-country comparisons the constant price data are shown at the price levels of 1995.

CONTENTS Volume 1

The paper publication is divided in the following four parts:

1. Main aggregates

- Table 1.** Gross domestic product: expenditure approach, current prices and 1995 prices.
- Table 2.** Gross domestic product: output approach, current prices and 1995 prices.
- Table 3.** Gross domestic product: income approach.
- Table 4.** Disposable income, saving and net lending.
- Table 5.** Population and employment in persons, national concept.
- Table 6.** Employment in persons and in full-time equivalents by industry, domestic concept.

2. Comparative tables based on exchange rates

- **Gross domestic product** – US dollars and indices
- **Household final consumption expenditure** – US dollars and indices

3. Comparative tables based on PPPs (purchasing power parities).

- **Gross domestic product** – US dollars and indices
- **Household final consumption expenditure** – US dollars and indices

4. Exchange rates, PPPs (Purchasing power parities), Population

Standardised data for part 1 (159 series) and for Exchange rates and PPPs are available, as far as possible, for 30 OECD Member countries. Standardised data for part 2 (14 series) and for part 3 (12 series) are available, as far as

possible, for 30 OECD Member countries and for 3 geographical zones (OECD-Total, OECD-Europe and EU15). The geographical zones exclude the Czech Republic, Hungary, Poland and Slovak Republic. The period covered is as long as possible, starting from 1970 in most cases.

CONTENTS Volume 2

This paper publication is divided in the following 12 tables:

Detailed tables

- Table 1.** Gross domestic product: expenditure approach, current prices and 1995 prices.
Table 2. Gross domestic product: output approach, current prices and 1995 prices.
Table 3. Gross domestic product: income approach.
Table 4. Disposable income, saving and net lending.
Table 5. Population and employment in persons, national concept.
Table 6. Employment in persons and in full-time equivalents by industry, domestic concept.
Table 7. Gross value added at basic prices by industry, in 31 industries, current prices and 1995 prices.
Table 8. Components of value added by industry, in 31 industries:
- Compensation of employees;
- Wages and salaries;
- Gross operating surplus and gross mixed income;
- Other taxes less other subsidies on production.
Table 9a. Employment by industry, in 31 industries, in persons.
Table 9b. Employment by industry, in 31 industries, in full-time equivalents.
Table 10. Gross fixed capital formation by industry, in 31 industries, current and 1995 prices.
Table 11. Final consumption expenditure of households, current and 1995 prices.
Table 12. Simplified general government accounts.

New tables: Non-financial accounts by institutional sectors – Available only on CD-ROM

- Table S11.** Accounts for non-financial corporations.
Table S12. Accounts for financial corporations.
Table S13. Accounts for general government.
Table S1311. Accounts for central government.
Table S1312. Accounts for state government.
Table S1313. Accounts for local government.
Table S1314. Accounts for social security funds.
Table S14-S15. Accounts for households and non-profit institutions serving households.
Table S14. Accounts for households.
Table S15. Accounts for non-profit institutions serving households.
Table S2. Accounts for the rest of the world (external transactions accounts).

These standardised data (1845 series) are available, as far as possible, for 30 OECD Member countries. The period covered is as long as possible, starting from 1970.

Volume 1 is available annually, in January, on paper publication and on CD-ROM. There is also an online version which is updated quarterly. Volume 2 is available annually, in July, on paper publication, on CD-ROM and online. In both volumes a glossary of main terms used in national accounts is provided and data are available in both the *Beyond 20/20* software and in csv format. Files can be exported from *Beyond 20/20* as CSV, WKS, WK1, dBASE, TEXT and AREMOS TSD. A separate manual for the *Beyond 20/20* data browser is provided for technical assistance.

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