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The Global Project on Measuring the Progress of Societies

The OECD World Forum on Statistics, Knowledge and Policy

By Enrico Giovannini, Chief Statistician, OECD

We live in an information age. It is an age in which we are bombarded with information – some argue too much information - every day. An age in which societies increasingly recognise the limitations of GDP as a measure of progress, and are seeking to develop wider measures of progress that encompass economic, social and environmental dimensions. An age in which the world – through the Millennium Development Goals (MDGs) – has agreed on a single set of goals and indicators with which to measure global development. An age in which ICT tools can make information more accessible, and potentially more understandable, than ever before, both to decision makers and citizens. An age in which the accountability of public policies is more important than ever at all levels of government (international, national and sub-national).

And so there is a broad recognition that the development of cross-cutting, high quality, shared, accessible information about how a society is doing is crucial to ensure that decision-making is simultaneously responsive and responsible at all levels. But, in an age of unprecedented, and overwhelming, information flows, the common understanding necessary for informed public discourse is often inadequate. In short, information on how our societies are progressing has never been so important.

We are also seeing changes in the way societal progress is fostered. There is a growing recognition that effective collaborations between government, the private and citizen sectors can offer new and better ways to deliver progress. While in our increasingly globalised world, nations, more than ever before, need to work together if they are to foster progress in areas from climate change to trade.

There was, however, until now no global discussion about how best to measure and foster progress. And that is why the OECD began the Global Project on Measuring the Progress of Societies.

It will provide a single world wide forum in which nations, communities and professional groups can discuss the directions in which they want their societies to head and the evidence they need both to track, and foster, progress in those directions. By doing so, it represents a key opportunity to increase the relevance and profile of official statistics in decision-making by all sectors of society. This in turn should lead decision makers to place a greater emphasis on facts and so take better decisions. By measuring progress, we foster progress.

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The World Forum on “Measuring and Fostering the Progress of Societies”

On June 27-30, 2007 an exceptional group of 800 people will gather in Istanbul, Turkey at the Lutfi Kirdar Conference Centre. They will come from across the developed and developing world, and will span the public, private and civil sectors. They will comprise ministers, parliamentarians and senior public servants; eminent academics and the leaders of civil society; senior business leaders, the development sector and representatives from the media. And they will come together to assess and foster the progress of their societies. Thousands of others are expected to follow the discussion through live webcast.

The second OECD World Forum, organised in partnership with the Turkish State Planning Organisation and Turkstat, will build on the success of its predecessor, held in 2004 in Palermo (Italy) which focused on “key indicators”. Attended by 540 people from 43 countries and followed by several thousand people via webcast, the Forum was the first international discussion about improving the use of statistics for evidence-based decision making and developing a shared, facts-based knowledge about the progress of societies, a cornerstone of any modern democracy.

The second World Forum will be a much larger event, in several ways:

- numbers of people - 800 are expected in Istanbul;
- diversity of nationality - this second world forum will be truly global in its scope; and
- breadth of planning - several international workshops on specific issues have been and will be held to help prepare the conference including a workshop on the measurement of wellbeing, and another on using visual tools to present indicators to the public.

“Regional pre-conferences” will help to engage countries outside of the OECD. The first of these pre-conferences was held in Colombia for Latin America (12-13 October 2006), with others planned for Asia (Korea, 8-9 February 2007), Africa, Russia/CIS and the Middle East.

The conference will provide opportunities for in-depth discussions about the measurement of progress, as well as some of the most important concerns facing the world, such as climate change, health, and economic globalisation. It will stimulate an international dialogue based on available evidence, and at the same time expose gaps in our knowledge. It will be a place to discuss new and widely-applicable indicators to measure progress.

The Global Project

The second World Forum is part of a long-term project on measuring the progress of societies, and similar events are planned every two-three years hence. The “Mission Statement”, prepared at a high level strategic workshop in March 2006 at the Rockefeller Foundation’s Centre in Bellagio (Italy), says that:

The Global Project on Measuring the Progress of Societies exists to foster the development of sets of key economic, social and environmental indicators and their use to inform and promote evidence-based decision-making, within and across the public, private and citizen sectors. These indicator sets can be at the sub-national, national and international levels. The project is open to all sectors of society, building both on good practice and innovative research work, organised by the OECD in co-operation with national and international organisations.

The co-operation of the European Commission (EC), the United Nations (UN) and the World Bank (WB) confirms the global dimension of the project. The

statistical offices of Turkey, Australia, Korea, Slovak Republic, Italy and Mexico, as well as the EC’s Joint Research Centre, are contributing to the overall project and to the organisation of regional conferences and thematic workshops. PARIS21 (the organisation created by EC, IMF, OECD, UN and WB to foster statistical capacity building in developing countries) is supporting the participation of less developed countries in regional events and the Istanbul Forum. The International Statistical Institute is also providing intellectual support.

There are many planned outputs and outcomes of this project, including working groups at the global and regional level, a book and guidelines on how to measure progress in practice, how to bring information to decision makers to make them more knowledgeable, etc.. To achieve its goals, the Global project will carry out activities in the following areas:

- Statistical research
- ICT tools to facilitate the transformation of statistics into knowledge
- Advocacy
- Institutional capacity building

But dominant among the outcomes is the potential for this project to inform the setting of key global progress measures.

The World Forum and the Millennium Development Goals

In 2015 the current set of MDGs and related indicators expire. And so the international community will be asked to decide whether a new set is needed and what it should look like. The world’s politicians will of course take that decision. But on what will it be based? This project has the potential to provide those decision makers with the strongest analytical foundations on which to inform their choices. Foundations built from both the bottom up and the top down.

The second OECD World Forum in more detail

The second World Forum will be an opportunity to learn more about the key facts, and policies surrounding the most important economic, social and environmental issues of our time. Keynote speakers, plenary sessions, parallel sessions, and technical workshops will allow participants to identify and discuss key measurement and policy issues. Issues relevant to developed, emerging and developing countries will be discussed. Results from regional events will be presented in the World Forum for further discussion.

We have been delighted with the level of interest shown in this conference. The OECD's Secretary General began inviting speakers in October. And confirmed speakers already include Sheikha Haya Rashed Al Khalifa (President of the United Nations General Assembly); Joaquín Almunia (Commissioner for Economic and Monetary Affairs, European Commission); François Bourguignon (Chief Economist, World Bank); Kemal Dervis (UNDP Administrator); Nicholas Donofrio (Executive Vice President, IBM); Tayyip Erdogan (Prime Minister, Turkey); Ólafur Ragnar Grímsson (President, Iceland); Angel Gurría (Secretary General, OECD); José Antonio Ocampo, (Deputy Secretary General, United Nations); Francisco Santos Calderón (Vice President of Colombia); and David M. Walker (Comptroller General, USA).

The conference will be built around five broad themes, with each session relating to one or more themes.

Overarching sessions include:

- Measuring Progress: Does it Make a Difference for Policy making and Democracy?
- What is Progress?
- People's Perceptions vs. Reality: What impacts on Policies and Democracy?

1. Key Outcomes for Our Future: Measuring to Make Progress. What do we know, and what do we need to know, to track and foster progress in key dimensions of life?

- Progress in Democracy and Human Rights
- Energy: Reversing the Unsustainable Trends
- Water Scarcity and Cleanliness
- Biodiversity
- Human Capital: the Largest Share of a Nation's Wealth
- Poverty and Social Exclusion
- Meeting the World's Health Challenges
- Social Outcomes of Learning
- Financial Security and Stability
- Culture and Creativity

2. Mega-trends. What threats and opportunities do major societal changes mean for making progress in the 21st century?

- Climate Change
- Youth/Aging Bubbles: Portrait of Today and 2050
- Globalisation and Local Progress
- Surfing the Future: New Technology for Next Generation
- Skills on the Move: How Migration Affects National Progress
- The Gender Gap: Difference or Discrimination

3. Fostering Progress - the role of people and communities

- Tackling Global Problems: The Role of Foundations
- Statistical Offices: Information Brokers or Knowledge Builders?
- Social Entrepreneurship
- Corporate Social Responsibility (The Role of Private Sector)
- Fostering Progress: The Role of Non-Profit Organisations
- Measuring Progress: Achieving Progress (The Role of International Organisations)

4. Making Progress in a Complex World. How can we better understand the links between things we do, the ways in which we organise ourselves, and our progress?

- Good Public Governance for Whom?
- Measuring Happiness and Making Policy
- Measuring and Improving Government's Performance
- Competitiveness, Innovation and Economic Growth
- How to Build a Knowledge Economy and How to Know When You Have One?

5. Turning statistics into knowledge and knowledge into policy: how can we strengthen the role of evidence in decision making throughout society?

- Evidence-Based Policy Making: Just a Myth or a Must?
- Building Statistical Capacity to Monitor the Progress of Societies
- Comprehensive Indicator Systems
- Turning Statistics into Knowledge
- Developing Countries: Better Statistics, Better Policy

- From the bottom up, the OECD project will work to encourage and facilitate the establishment of initiatives to measure national progress, at all levels of geography and government. Those countries that begin such projects could end up with a broadly accepted set of national progress measures, designed by the whole community, to which politicians and citizens will pay attention and feel committed to.
- From the top down, by gathering together some of the world's leading thinkers at both World Forums on "Statistics, Knowledge and Policy", the OECD project will build a global consensus on frameworks to measure overall progress, encompassing economic, social and environmental dimensions.

And this was the subject of a speech that Jon Hall, from the OECD's World Forum project leader, made to a special debate at the United Nations General Assembly on November 27 2007. The full text of his speech is linked under "news and events" on the website www.oecd.org/oecdworldforum.

Of course, in order to involve the whole world community, the project will be run in close co-operation and partnership with other international organisations, especially those that have a global constituency, such as United Nations. The project will not interfere with the current effort of all international organisations towards the successful implementation of the MDGs process, but will prepare the ground towards a new phase of the international effort to measure global development. The final aim of the project is to offer to the international community an agreed set of recommendations on how to measure, and therefore foster, progress. These recommendations

could become the fundamental analytical underpinnings to the political process that will define new world goals and indicators post 2015.



Attendance at the Istanbul conference will be by invitation only. For information on how to receive an invitation, or get involved in the project more generally, please visit our website www.oecd.org/oecdworldforum, or email the project team with questions or subscribe to our newsletter at oecdworldforum@oecd.org

Conference on "Patents Statistics for Policy Decision Making", Vienna, October 2006

By Dominique Guellec, OECD

Together with the European Patent Office (EPO) the OECD organised a conference on "Patents Statistics for Policy Decision Making" in Vienna on October 23-24, 2006. The conference was supported by the Japanese Patent Office (JPO), US Patents and Trademarks Office (USPTO), World Intellectual Property Organisation (WIPO), European Commission (Eurostat, DG Research), and the US National Science Foundation (NSF). All of whom are members of the Patents Statistics Task Force, a forum set up by the OECD in 2000 aimed at improving and harmonising patents statistics and indicators. This conference was the third in a series, following two conferences on similar topics held in Geneva (co-organised by OECD and WIPO) in 2003 and 2004. The conference was followed by a meeting of the Patents Statistics Task Force.

The OECD work on patents statistics is conducted under the aegis of the NESTI group (National

Experts in Science and technology Indicators) and the OECD has recently released its 2006 Compendium of patents statistics (see www.oecd.org/sti/ipr-statistics).

The central topic of the conference was "Patstat", a new patents database developed by the EPO under the aegis of the task force. Many discussions addressed uses of Patstat and directions for future developments. Patstat (see Database of the month) includes data on about 60 million patents filed in 80 patent offices. It makes this data accessible to researchers in a user friendly format for the first time, and can be viewed as a kind of "research infrastructure", aimed at encouraging research in the field.

Applications and new developments related to Patstat

The conference highlighted many current and future applications of Patstat for analytical purposes.

Citations analysis (Colin Webb, OECD): Citations allow the circulation of knowledge to be mapped between companies, between countries, between universities and businesses etc. They also allow measurement of the relative importance of patents (where social value can be measured by the number of citations). Citations of scientific literature in patent filings also allow science-technology relationships to be mapped. However they raise a number of complex methodological issues, many of which are not yet solved.

Patent constructionism (Dietmar Harhoff, Munich University): this term reflects the strategy of certain applicants to build patent portfolios so interrelated that they de facto block the access to an entire technology field to outsiders ("patent thickets").

National patent indicators (Hélène Dernis, OECD): Counts of patents filed in a given country give a good

picture of the diffusion of technology in that country; as most inventions potentially exploited there (including through imports, local production etc.) are patented.

Analysis of patent offices processes: the issue of patent quality has become highly debated among patent policy makers. Hence monitoring the examination procedures and decisions taken by patent offices, and the strategy of applicants, is of high interest. For example, studies show (e.g. Bruno van Pottelsberghe, EPO) that about half of withdrawals from the EPO follow a strong signal sent by the patent office to applicants that their chances of obtaining a grant are weak. At JPO (Sadao Nagaoka, Hitotsubashi University, Tokyo), the lack of novelty or inventive steps account for most refusals. The decision is often based on prior art which is either very recent (unexamined) or already quite old, showing the importance of early publication of patent applications and questioning the rigour of research management in certain quarters. Refusals happen less often in the most dynamic technical fields.

In view of making Patstat more useful to the research community, a series of investments in complementary tools is being made, notably by Eurostat. Hence, a computer program and a database for harmonising the name of applicants have been developed by Bart van Looy and Tom Magerman (KUL, Leuven, Belgium). These applications will facilitate studies of patenting behaviour at the company level, and matching patent data with other data (enterprise economic data). The same team has developed a routine for classifying applicants by institutional sector, i.e. business, university, government, hospital and individual, which should improve our understanding of the relative contribution of each sector to various technological developments, and of the relationships (e.g. knowledge transfers) between sectors.

The 2006 OECD Compendium of Patent Statistics

The 2006 edition of Compendium of Patent Statistics provides the most recent internationally comparable data on patents. Patent-based statistics presented in this publication are designed to reflect the inventive performance of countries (OECD member and non-member countries), regions and firms, as well as other aspects of the dynamics of the innovation process. The 2006 edition made extended use the Worldwide Statistical Patent Database, a new database set up at the European Patent Office (EPO), which includes data from 80 countries.

Indicators published in the Compendium include the following:

- ▶ Triadic patent families (patents taken both in Europe, Japan and the US) are "geographically neutral" and reflect the relative innovative performance of countries.

- ▶ National patents (from 9 countries, including Canada, China etc.) reflect the diffusion of technology going on in each country.

- ▶ Patenting in selected technical areas: ICT, biotechnology, nanotechnology, space technology, energy technologies (nuclear, wind, fuel cells), and environmental technology.

- ▶ Patents by institutional sectors (business, government, universities).

- ▶ International research co-operation as reflected in patents with co-inventors from different countries, and the location strategy of multinational companies, as reflected in patents whose owner and inventors reside from different countries.

- ▶ Citations provide insights on the diffusion of knowledge and the value of patented inventions.

The 2006 Compendium of Patent Statistics is available on-line, including the underlying spreadsheets containing the data used in charts and graphs, plus a glossary of terms, at:

www.oecd.org/sti/ipr-statistics

In parallel with Patstat, other databases are being developed which include more specific data for certain patent offices. One is the IIP database (Institute for Intellectual property, Tokyo), which includes considerable procedural data from JPO (presentation by Kazuyuki Motohashi, University of Tokyo); another, is the NBER database, which will include procedural data and citations from the USPTO (presented by Bronwyn Hall, UC Berkeley).

The conference and ensuing task force meeting identified priorities for the development of Patstat: the first is to improve the accessibility of the database, by disseminating it via the internet – keeping the current rules for access (restricted to non commercial uses) - and, at the same time, changing the format of the database to make it easier to download. The task force also recognised the strong demand for the inclusion of new variables, such as the legal status of patents, licensing data etc. These proposals will be examined by the EPO in light of its own budgetary constraints.

Data collection on the economic use and impact of patents

The conference also addressed the collection of data on the economic use and impact of patents: What share of patents is actually exploited by businesses? How many are licensed out? What is the effect of patents on the revenue of firms on the diffusion of technology etc? These questions are obviously key for policy makers but are currently not trivial to answer - as underlined at the conference on "Patents: realising and securing value", co-organised by the OECD, EPO and UK Patent Office, held in London on November 21st.

Previous experiences of data collection in this field were presented by Wes Cohen (Duke University, US), who estimated, based on survey data and an econometric modelling, the "patent

premium", i.e. the supplement in profits that a patent provides to its holder. Cohen shows that the patent premium is substantial for patented inventions but weak for non-patented ones; which is the reason why they are not patented. The premium is particularly high in the pharmaceutical industry.

Kazuyuki Motohashi (Tokyo University) presented the results of the yearly survey conducted by the JPO. It shows that about 45% of patents granted by the JPO are exploited in-house by their holder, while 6% are licensed, 3% are cross-licensed, 1% are put in patent pools and the rest are not exploited. The rate of licensing and cross-licensing is higher in the electronics industry.

A broad and preliminary discussion addressed possible ways of collecting this data in the future, which include: co-ordinated survey questions added to yearly surveys of the large patent offices (EPO, JPO, USPTO) or regular innovation surveys, such as those currently conducted in Europe (the Community Innovation Survey, CIS, coordinated by Eurostat) and Japan, and possibly in the future in other countries. Further discussions will be conducted among the task force members and other involved bodies in order to identify the most practical way of collecting such data.

Co-operation between China and the OECD on S&T indicators

By Martin Schaaper, OECD

In September and October 2006 two events took place that highlight the growing level of co-operation between China and the OECD in the field of science and technology (S&T) indicators: a seminar on ICT indicators in September 2006; and a workshop on indicators for assessing national innovation systems in October 2006.

Seminar on "ICT statistics for China", September 2006, Beijing and Chengde, China

The OECD in co-operation with the National Bureau of Statistics (NBS) of China organised a seminar on ICT statistics in China from the 15th to the 19th of September 2006. Officials from the OECD Secretariat, the UK Office for National Statistics, the Australian Bureau of Statistics, UNCTAD and the ITU participated to give an overview of OECD methodology for measuring the information society and to present the work of the Partnership on Measuring ICT for Development.

The seminar consisted of three events: a seminar on the 15th of September in Beijing targeting policy makers and statisticians from various government departments; a seminar on the 17th of September in Beijing targeting regional offices of the NBS; and a field trip to Chengde on the 18th and 19th of September to answer questions from the regional offices and to further discuss international co-operation.

The first seminar attracted high level participation from various government and private sector institutions in China. About 70 people attended, including the Deputy Commissioner from the NBS, the chief statistician, chief engineer and chief economist of the NBS, representatives from the Ministry of Information Industry, the National Development and Reform Committee, the State Council Informatization Office, the Center of China Internet Information (CNNIC), the China Academy of Social Sciences, the China Information Industry Association, China Telecommunication, China Unicom and China Netcom.

The seminar provided a broad overview of measuring the information society, presented at a fairly general level. Topics presented included: the importance of ICT indicators for evidence-

based policy making; the OECD experience in collecting internationally comparable ICT statistics; the work of the Partnership on Measuring ICT for Development; how the OECD deals with global relations; and a proposal for future co-operation with China. During the day, there were lively discussions, where the audience asked relevant and interesting questions.

The second seminar attracted about 50 people from 6 regional offices of the NBS. This seminar provided more detailed methodological presentations on how to measure the information society. Topics presented included: classifications; model questionnaires; the Partnership's core indicators; questionnaire design; frame and sample selection; data collection methods; data processing; data release; and data use.

During the field trip to Chengde the OECD experts answered a broad range of questions from delegates of regional offices, followed by a session on future co-operation in the area of information society statistics between China and the international organisations.

Workshop on "Indicators for Assessing National Innovation Systems", October 2006, Chongqing, China

The Chinese Ministry of Science and Technology (MOST) and the OECD are currently undertaking a comparative study of the national innovation system (NIS) of China. This review consists of four interrelated, yet stand-alone, modules as follows:

- An international comparison of the NIS indicator systems in China and in selected OECD countries;
- Policy analysis of the Chinese National Innovation System;
- Globalisation of R&D and implications for the design of national innovation systems;

- Supply, demand and mobility of Chinese human resources for S&T (HRST).

As part of the implementation of the indicator module, on October 19-20, 2006, a workshop on Indicators for Assessing National Innovation Systems was organised in Chongqing, China, by the OECD and MOST. It provided a forum to share experiences and best practices in OECD countries and the current S&T indicator system in China, and to explore ways to better address the information needs for measuring and monitoring the NIS. It also provide a platform to discuss how improvements to existing, and development of new, indicators could assist evidence-based policy making. Senior experts from China, the OECD Secretariat, 11 OECD member countries and South Africa participated in the one-and-half-day Workshop that consisted of four sessions.

The first session - on input, linkage and performance of NIS indicator systems - discussed the conceptual framework and compared indicator systems in OECD countries and in China, including definitions, scopes and comparability of these indicator systems. Special attention was given to indicators for measuring output/performance of the NIS, including traditional S&T performance indicators, such as patents and publications, and more broadly defined performance indicators, such as productivity and competitiveness in both domestic and international markets. Linkages between input-output and among the key actors in the NIS are important, albeit indirect, determinants for the performance of an NIS.

The second session dealt with methodology and practices in S&T and innovation policy benchmarking. This session discussed the methodology and best-practices, as well as limitations and lessons learnt in policy benchmarking in some OECD countries.

The third session concerned indicators on globalisation of R&D, taking stock of what indicators are available in China and in OECD countries for monitoring the globalisation of R&D, in the form of multinationals' R&D activities, cross-border ownership of inventions, international co-operation in S&T, in both private and public sectors, and internationalisation of high-tech manufacturing sectors. It explored what new indicators should be developed, and the efforts under way in OECD countries and in China, to address the need for new indicators.

Session four discussed indicators on the stock and mobility of human resources in science and technology, (HRST). While the stock of HRST can be measured to a large extent by available indicators, measuring the mobility of HRST is much more difficult. This session took stock of the available indicators on HRST in China, and discussed the OECD work under way to develop methodology for measuring the international mobility of HRST. For domestic HRST mobility, a potential attempt to investigate the mobility in Chinese research institutions was explored.

More information can be found at www.oecd.org/sti/statistical-analysis.

Workshop on "Productivity Measurement and Analysis"
Berne, 16-18 October 2006
By Paul Schreyer, OECD

The workshop was organised jointly between the OECD, the Swiss Federal Statistical Office and the Swiss Ministry of Economics. A detailed agenda and the papers for the workshop can be found on the OECD Website: www.oecd.org/statistics/productivity/workshop2006. The workshop attracted a significant amount of

interest with over 70 participants, including representatives from all non-EU OECD member countries.

The 2006 version of the OECD Compendium of Productivity Indicators was released at the occasion (for an electronic version see www.oecd.org/statistics/productivity).

The workshop showed the rising interest in productivity measures in OECD countries, with a number of statistical offices embarking on the construction and publication of official multi-productivity series (the latest in the group being Switzerland).

A special session on Switzerland produced fairly unanimous conclusions about Swiss productivity performance: high levels of GDP per capita but relative weaker GDP per capita growth than in other OECD countries, combined with high labour utilisation mean that faster GDP growth has to come out of productivity gains, and two avenues appear most promising to achieve this goal: fostering competition of product markets and enhancing innovation and research and development, notably by encouraging entrepreneurship in the high tech sectors (access to capital, to markets etc.) . These conclusions led naturally into the second session of the seminar, the link between technology and productivity.

Technology and productivity: the proposed capitalisation of R&D in the national accounts was a common thread in this session with papers from the UK ONS and from the Australian Productivity Commission. This provided a link to the paper by Mas on infrastructure capital given that there are a number of common characteristics between physical infrastructure capital and 'knowledge infrastructure'. A presentation by the Central Planning Bureau (Netherlands) showed the importance of competition for

inducing innovation and productivity growth in the retail trade sector.

Labour input measurement is an ongoing and important concern among productivity analysts. Two dimensions merit consideration: the measurement of hours worked and the measurement of the composition of labour input. Contributions in this area came from Australia, from the US BLS, from Statistics Canada, Italy and the European Central Bank. The absence of adjusted labour input series in the OECD productivity database is a gap and clearly an area that needs following up.

Other sessions dealt with new developments in productivity measurement and included: (i) experimental results on industry-level MFP measures (Netherlands, Australia, Korea, Sweden) which showed that they are feasible but fraught with measurement issues. Recurring issues are the output measurement in service industries, the availability of capital data by type of asset and by industry and the choice of the rate of return for capital services by industry; (ii) alternative approaches towards productivity measurement for example productivity measures based on a net output/net capital input approach; (iii) the use of input-output tables to trace trends of outsourcing and globalisation in Italy.

Several papers in the meeting employed micro-data for analysis (innovation in Switzerland, retail trade in the Netherlands, privatisation and productivity in Poland) and it was generally felt that this constitutes an important avenue for future work.

Specific recommendations for follow-up by OECD included: (i) OECD should provide guidance on standard use of user costs in the computation of capital services; (ii) OECD should derive standard measures of depreciation and net capital stock as part of its

productivity database; (iii) OECD should develop measures of labour composition.

32nd CEIES Seminar

Innovation Indicators: More than Technology?

CEIES, the European Advisory Committee on Statistical Information in the Economic and Social Spheres and Eurostat, the Statistical Office of the European Communities is organising the above-mentioned seminar on 5 and 6 February 2007 in Aarhus, Denmark.

All information on the seminar can be found on the Eurostat/Circa website. Documents for the seminar will also be progressively uploaded onto the site, address as follows: <http://forum.europa.eu.int/Public/irc/dsis/ceies/library>

Please choose the folder "Seminars 31-40" and then "32nd CEIES Seminar".

Workshop on "Real Estate Price Indexes" Paris, 6-7 October 2006

By David Roberts, OECD

The workshop was organised by the OECD and the IMF. The agenda, the participant list, the papers and the presentations can be found on the OECD Website: http://www.oecd.org/document/47/0,2340,en_2649_33715_37582447_1_1_1_1,00.html.

The workshop was attended mainly by participants from the national statistical offices or the central banks of European countries. Non-European countries sending participants included Canada, India, Korea and the United States. Australia and Brazil contributed papers but did not attend. There were also participants from the BIS,

the ECB, Eurostat and the ILO as well as the OECD and the IMF. Overall some fifty persons attended the workshop.

The workshop was a follow up to the IMF-BIS conference on real estate indicators and financial stability that was held in Washington D.C. on 27th and 28th October 2003 (see http://www.bis.org/publ/bppdf/bispa_p21.html) and the OECD seminar on inflation measures that was held in Paris on 21st and 22nd June 2005 (http://www.oecd.org/document/22/0,2340,en_2649_33715_34726422_1_1_1_1,00.html)

Its objectives were: to identify the purposes real estate price indexes serve and their place in the extended family of price indexes; to take stock of country practices and recent developments with regard to the collection of real estate prices and the compilation of real estate price indexes; and to determine what work, if any, should be undertaken at the international level to promote country coverage and international comparability of such indexes.

Although the term "real estate" includes commercial properties, the papers and the discussions at the workshop focused on residential properties. From the discussions, it became clear that the needs of users cannot be met by a single house price index: there is a demand for a family of house price indexes. For example, house price indexes usually measure changes in the price of house and land together, but indexes that cover the price of the house and the price of the land separately are also needed. A majority thought that the SNA 93 and the ESA 95 should be the starting point for providing a systematic framework for a family of house price or, more generally, real estate price indexes.

Currently, countries with house price indexes often have a number of such indexes all pertaining to measure the same thing - changes in

house prices - but with differing results. These arise because the producers of the indexes use different sources and/or different times in the house purchasing timeline and/or different methods of calculation. Many of the indexes are produced by the private sector from their own data bases and tend to be more timely but less complete than those produced by national statistical agencies. National statistical agencies tend to use data from administrative sources and while more complete than the indexes produce by the private sector they are less timely. It was felt that one way forward would be through greater cooperation between the private sector and national statistical agencies as, for example, in France. Another way forward may be to use the listing of residential properties for sale on the internet.

Finally, there was agreement that there was scope for work on real estate price indexes at the international level. In particular, there is a need for a handbook of methods with an inventory of national practices. It was proposed that the OECD should take the lead in producing such a handbook and inventory. The importance of talking to users of real estate price indexes about their requirements during the preparation of the handbook was emphasised.

Release of the OECD Data and Metadata Reporting and Presentation Handbook
By Denis Ward, OECD

Following its endorsement the OECD Committee on Statistics (CSTAT), the Data and Metadata Reporting and Presentation Handbook has recently been released on the OECD website at <http://www.oecd.org/dataoecd/46/1/7/37671574.pdf>. The paper version of the Handbook will be available (in English and French) early in 2007.

The Handbook, which was developed under the auspices of the OECD Short-term Economic Statistics Working Party (STESWP), provides a single comprehensive reference set of international guidelines and recommendations for the reporting and presentation of statistical data and metadata. Although, the Handbook was prepared primarily for short-term economic statistics, many, if not most of the recommendations presented are also relevant for annual (structural) statistics and for social and population statistics.

The Handbook draws heavily on existing international statistical guidelines and recommendations that have been developed over the last twenty years by international organisations and national statistical agencies.

The need for the articulation of a comprehensive set of recommendations on the reporting and presentation of statistical data and metadata is one aspect of the overall demand for improved international comparability and consistency of statistics compiled and published by national agencies and international organisations.

As discussed in the Handbook, the major causes of differences in statistics compiled in different countries flow from the use of different definitions and concepts and differences arising from varying collection and statistical data transformation practices. Even where differences in these areas are minimal the statistics disseminated by different countries may actually look different because of the use of different data reporting and presentation practices. These differences can have considerable impact in an environment where users have ready access to a bewildering amount of statistical information facilitated through the availability of on-line databases and statistics on the Internet at both the national and international levels.

The Handbook provides a small number of specific recommendations covering two broad dimensions in which all data may be reported, namely:

- types of data – absolute figures, indices, growth rates, ratios; and the
- form of data – raw (original or non-seasonally adjusted series), working day adjusted, seasonally adjusted, trend-cycle.

The Handbook also emphasises the need for national agencies and international organisations to prepare adequate metadata describing concepts, collection and processing practices as well as reporting and presentation practices. In addition, the Handbook covers a small number of key data reporting practices that also have a significant impact on data interpretability and where different approaches currently used by national and international agencies complicate comparisons of national data. These include different:

- data revision presentation practices;
- reporting practices for the presentation of series breaks;
- practices for the reporting of sampling and non-sampling errors;
- base years in the presentation of indices;
- citation practices;
- and incomplete practices for the presentation of administrative data.

New data and metadata presentation and reporting issues will emerge over time, or existing guidelines will need to be modified. It is therefore intended to incorporate emerging issues, etc., in the dynamic web version located on the OECD statistics website. Issues under consideration for inclusion in future include: linking time series, and the graphical presentation of statistics.

NEWS IN BRIEF

Workshop on Output Prices for Services, Luxembourg, 16-19 October 2006

Eurostat and OECD organized jointly a workshop on the compilation of services producer price indices (SPPI). The aim was to share experiences in the index compilation and disseminate practices introduced in the recently published Methodological Guide on SPPIs. The participants (1-4 per country) were from 23 European countries (EU members or candidates) and from 5 non-European OECD countries. The workshop discussed SPPI compilation in 13 service activities that were selected based on wishes of countries. The format of the workshop was that, after introductory plenary sessions, participants discussed each service activity in three parallel sessions. Plenary sessions were held again to summarize discussions. Group sessions were chaired by countries that had experience in the compilation of SPPIs for service activities concerned (Australia, Canada, France, Germany and USA).

The workshop succeeded well and the division of participants into groups ensured lively discussions. Also definitions and concepts launched in the SPPI Guide seem to have been largely adopted and therefore methods were much easier to be discussed than often in the past. On the other hand, it appeared that there is still much to do particularly in setting principles for specifying service products in SPPIs. A good example is advertising services: to what extent and how the number of viewers of advertises should (or should not) be taken into account as a quality factor? As long as principles used in pricing are not clearly spelled out, there is risk that prices/volumes of services become incomparable between countries. A need for additional workshops or training courses was recognized. Two kinds of workshops could be considered. In the first type of workshops only very few service activities are selected to discuss thoroughly all aspects of index compilation in these activities. The second type of workshops could discuss, on the one hand, methodological issues that are typical for services in general and, on the other hand, issues that are closely related to the product specification in particularly problematic service activities. For further information, contact seppo.varjonen@oecd.org.

Meetings of the Working Parties on National Accounts (WPNA) and Financial Statistics (WPFS), October 2006.

The 2006 meetings of WPNA and the WPFS took place in Paris during October 9-12. These annual meetings gather heads of national accounts and financial statisticians of OECD countries but are also open to non-member countries. Overall, there were 150 participants from 57 different countries or international organisations.

Issues linked to the SNA (System of National Accounts) revision process featured prominently. The new SNA is expected for 2008, but will be implemented only around 2012-2014 by most OECD countries. The meeting approved a proposal to include an additional table on pension schemes in the new SNA, showing the stock of pension promises of all government sponsored schemes, including social security. This should improve international comparability. The meeting also discussed "leases and licenses" and the classification of financial assets. A new category of financial asset will appear for "standardized guarantees" in the new SNA. The issue of whether or not to record R&D expenditures as capital in the new SNA was hotly debated, with many countries in favour of this challenging modification, but some countries remaining opposed essentially because of practical difficulties. The final decision on whether or not to introduce this change will be taken by the UN Statistical Commission in March 2007. The meetings also discussed: OECD data collection and dissemination; practical methods for compiling national accounts and financial statistics; training; revisions policies; and, for the first time, the resources of national accounts departments in OECD countries. For further information contact Francois.Lequiller@oecd.org, or click-on: http://www.oecd.org/document/25/0,2340,en_2649_3424_5_36702937_1_1_1_1,00.html http://www.oecd.org/document/11/0,2340,en_2649_3424_5_36918219_1_1_1_1,00.html

10th NBS-OECD Workshop on National Accounts, November 2006

For 10 years now the OECD's Statistics Directorate and the Chinese National Bureau of Statistics (NBS) have organised an annual meeting to exchange information on best practices in the various domains of the national accounts. This year the meeting was in Paris, (6-10 November). After celebrating ten years of bilateral cooperation, the Chinese delegation opened the meeting by presenting a scoping paper on new features of the Chinese national accounts, including the recent significant revision of their GDP figures. Subsequently presentations of best practices regarding the compilation of the output of the financial sector were organised: with contributions from the Bureau of Economic Analysis (BEA, USA) and the NBS. Both the BEA and the French INSEE explained the methods of compilation of quarterly national accounts. Statistics Canada participated in the discussion. Progress in the compilation and dissemination of a full set of quarterly national accounts for China is one of the priorities of the OECD and other organisations interested in Chinese statistics. The OECD and the NBS have started bilateral discussions on a possible cooperation on data transmission and dissemination. For further information contact Francois.Lequiller@oecd.org, or click-on http://www.oecd.org/document/45/0,2340,en_2649_3424_5_34879789_1_1_1_1,00.html

Ask the OECD Economists

In order to improve the dialogue between civil society and economists, the media division of the OECD has been organising on-line debates -- "**ask the OECD economists**" -- on topics related to recent events or publications.

The process works by an announcement made on the OECD website encouraging civil society to send questions to OECD economists on a current and pre-announced topic. Responses to the most interesting questions are then placed on-line at the OECD website.

Recent debates can be found at www.oecd.org/economics/ask

- Can biofuels erode the oil monopoly in road transport?
- Can 2.5 billion people in developing countries switch to modern energy for cooking?
- Is Brazil learning new lessons or teaching the world?
- With extensive statistics, detailed projections, analysis and advice, WEO 2006 equips policy-makers and the public to re-make the energy future.

▲ OECD Territorial Reviews: Competitive Cities in the Global Economy

Cities are home to more than half the people living in OECD countries and almost 50 percent of the output and jobs of many nations is found in their largest city. Though most cities have higher economic growth, foreign investment and labour productivity than the rest of the country, they are also more polluted, crime-ridden and socially disparate. A new OECD report, *Competitive Cities in the Global Economy* gives case studies and policy recommendations to help cities, often the drivers of national economies, continue to thrive. The book also provides a strong statistical database on the world's principal cities.

The report studies the 78 largest metro-regions in the OECD, ranging from Tokyo with close to 35 million inhabitants to Auckland with about 1.5 million. The OECD average is just over 5 million. Of the 25 wealthiest cities, as measured by GDP per capita, 22 are in the United States and the others are London (in 13th place), Paris (18th) and Dublin (23rd).

RECENT PUBLICATIONS

All OECD publications can be ordered on line at: <http://www.oecdbookshop.org>

▲ World Energy Outlook 2006

This 2006 edition of IEA's annual World Energy Outlook presents two visions of the energy future. Will it be under-invested, vulnerable and dirty, or clean, clever and competitive? This edition of WEO responds to the remit of the G8 world leaders by mapping a new energy future, contrasting it with where we are now headed. WEO 2006 shows how to change course. It counts the costs and benefits - and the benefits win.

World Energy Outlook 2006 also answers these questions:

- Is the economic reaction to high energy prices merely delayed?
- Is oil and gas investment on track?
- Are the conditions shaping up for a nuclear energy revival?

▲ OECD Science, Technology and Industry Outlook 2006

Science, technology and innovation have taken centre stage in efforts to boost economic growth and improve social well being. OECD countries and non-members alike are introducing far-reaching reforms to strengthen investments in science, technology and innovation, and to enhance their contribution to national economies in a context of increasing globalisation. What types of reforms have they introduced and what are the main issues they aim to address? What emerging issues will policy makers need to address to improve future innovation capabilities? What policies can best stimulate the creation, diffusion, and exploitation of knowledge in all sectors of an increasingly competitive, global economy? The *OECD Science, Technology and Industry Outlook 2006* aims to answer such questions by offering a comprehensive review of key trends in science, technology and innovation policy, and reviewing recent policy developments in OECD countries.

▲ **Financial Market Trends No. 91, November 2006**

This publication provides you with timely analyses of, and statistics on, financial matters of topical interest or longer-term developments in specific financial sectors. It appears twice a year with each issue providing a brief update of trends and prospects in the international and major domestic financial markets. Articles focusing on particular issues related to developments in the financial sector are regularly featured. Periodically, financial sector statistics covering areas such as bank profitability, insurance and institutional investors are profiled.

OUT SOON

▲ **OECD in Figures 2006: Statistics on the Member Countries**

The 2006 edition of OECD in Figures contains key data ranging from economic growth and employment to education and migration. There are comparable tables on the environment, science, public finances, and on every theme the organisation is working on. For added perspective, OECD in Figures includes a selection of graphs, highlighting key challenges, such as youth unemployment, climate change, development aid to water and road crashes.

▲ **Insurance Statistics Yearbook 1995-2004: 2006 Edition**

The insurance industry is a key component of the economy by virtue of the amount of premiums it collects, the scale of its investment and, more fundamentally, the essential social and economic role it plays in covering personal and business risks. This annual publication provides major official insurance statistics for all OECD countries. Data for Singapore, which has an observer status to the OECD Insurance and Private Pensions Committee, are included in the online and CD-ROM editions of this publication. The reader will find information on the diverse activities of this industry and on international insurance market trends. The data, which are standardised as far as possible, are broken down under numerous sub-headings, and a series of indicators makes the characteristics of the national markets more readily comprehensible. This publication is an essential tool for civil servants, businessmen and academics working in the insurance field.

▲ **OECD Economic Outlook: December No. 80 - Volume 2006 Issue 2**

Twice a year, the OECD Economic Outlook analyses the major trends and examines the economic policies required to foster high and sustainable growth in member countries. Developments in major non-OECD economies are also evaluated. The present issue covers the outlook

to end-2008. Together with a wide range of cross-country statistics, the Outlook provides a unique tool to keep abreast of world economic developments. In addition to the themes featured regularly, this issue contains a special chapter entitled: Has the rise in debt made households more vulnerable? which addresses the following questions:

- What factors explain the observed rise in household debt in many OECD countries?
- Have asset price movements offset the impact on households' financial positions?
- Are some sectors or groups particularly vulnerable to adverse asset market or income developments?

The preliminary issue was released in November 2006 at www.oecd.org/eco/economic_outlook.

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Forthcoming OECD Meetings

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

<i>2007</i>	
22-24 January	Task Force on Statistics of International Trade in Services, Statistics Directorate (STD), Madrid, Spain
08-09 February	OECD Network on Fiscal Relations Across Level of Government, Statistical Working Group of the Committee on Fiscal Affairs (CFA)
08-09 February	Regional Conference for Asia on Statistics, Knowledge and Policy as part of the OECD's project on "Measuring the Progress of Societies", Statistics Directorate (STD), Seoul, Korea
26-28 February	Task Force on Government Sector Accounts, Statistics Directorate (STD), Paris, France
05-06 March	Expert Meeting on Government Indicators, Directorate for Public Governance and Territorial Development (GOV), Paris, France
05-06 March	Dynamic Graphics to Present Statistics, Statistics Directorate (STD) and ISTAT, Rome, Italy
26-27 March	Workshop on International Investment Statistics (WIIS), Directorate for Financial and Enterprise Affairs (DAF), Paris, France
29 March	Statistics on Globalisation Indicators, Directorate for Financial and Enterprise Affairs (DAF), Paris, France

Other Statistics Meetings

<i>2007</i>	
24-28 January	World Economic Forum, Davos, Switzerland: www.weforum.org
05-06 February	32nd CEIES Seminar: "Innovation Indicators - More than technology", European Advisory Committee on Statistical Information in the Economic and Social Spheres, Eurostat, Aarhus, Denmark
27 Feb-02 March	Thirty-eighth session of the UN Statistical Commission, United Nations Statistics Division (UNSD), New York, United States

Database of the Month

EPO Worldwide Statistical Patent Database (PATSTAT)

A worldwide statistical patent database was developed by the EPO in 2005, using their collection, and extensive knowledge, of patent data. Much of the data is extracted from the EPO's master bibliographic database - DocDB, also known as the EPO Patent Information Resource. It includes bibliographic details on patents filed to 80 patent offices worldwide, covering more than 60 million documents. A broad number of fields included in patent documents are covered, such as priority data, technology classes, inventors & applicants, titles, etc. However, depending on the patent office, the coverage of data may be partial or delayed over time.

The first version of EPO worldwide statistical patent database (April 2006) consisted of 17 tables. PATSTAT is scheduled to be released by the EPO twice a year; early spring and early autumn. Each version will present a snapshot of the source databases at a single point in time. A comprehensive data catalogue is provided along with the tables, describing the fields' codes. An additional document lists the currently available fields and the time period covered for each country. The content and design of PATSTAT is not intended to be static: a "change management procedure" has been put in place by the EPO to allow task force members to request for changes in the data catalogue (i.e. including additional information, variables, etc.) in a reasonable delay before each release.

Available fields of PATSTAT are listed below:

- Application details (authority, number, kind of application, filing date of application, type of IPR, international filing)
- Application title & abstract
- Applicant/Inventor name, address, country code and DocDB standard name*
- Identification of claimed priority, designating international application, parent application and technically related application
- IPC and national classification
- Publication details (authority, number, kind, date)
- Identification of cited patent publication, cited Non-Patent Literature text, category and origin of the citation

The policy for using and disseminating PATSTAT data is governed by agreements drawn up between the EPO and individual institutions represented at the task force. Task force members can request EPO to send extra copies to third parties, which will be invoiced at "marginal cost", and PATSTAT data will be diffused to non-task force members (researchers, government agencies) if they agree to the condition of data dissemination: "not to be used for commercial purposes."