



OECD SHORT-TERM ECONOMIC STATISTICS EXPERT GROUP (STESEG)

Task Force on Services

Summary information on STESEG Task Force work on services since the beginning of 2003

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Meeting:
27 – 28 June 2005

Room 3
OECD Headquarters, Paris
Starting at 9:30 a.m. on the first day

Task force on services

a. Executive summary

1. This brief note provides background information on STESEG task force work on services since the beginning of 2003.
2. The note then describes more specifically the work of the task force with regard to the preparation of the first draft manual on Index of Services Production (ISP) disseminated to delegates at the 2005 STESEG for their written comment **by Thursday, 9 June 2005** and subsequent discussion at the meeting on 27 June 2004. It concludes with a list of issues (in Part d) that STESEG representatives are asked to consider (amongst others) in their written submissions regarding the draft Manual.

b. Background

3. STESEG work on services flowed out of the 2002 meeting of the Group. The task force on services (TFS) had initially been asked to pursue a number of broad themes related to indicators for the services sector. At the 2003 STESEG meeting members further identified as a main task for the TFS the preparation of guidelines to be used to compile a monthly or quarterly index of services production (ISP). TFS discussed a prototype of the ISP manual at the 2004 STESEG meeting.
4. While all members of TFS have participated in the preparation of the prototype manual through their provision of a number of invaluable suggestions and comments, key activities are led by a limited number of members, namely:
 - harmonisation or standardisation of definitions or titles for key variables: Canada, US;
 - recommendation of suitable variables and their deflators to be used to compile ISP: UK; and
 - other tasks and co-ordination: OECD.
5. TFS's members have so far met three times and will meet again in February 2006. Apart from STESEG meetings, task force work was (and will be) presented to other meetings such as Voorburg Group meeting, etc.

c. Brief outline of draft manual for the compilation of a monthly ISP

6. The focus of the ISP Manual when completed will be to provide official statisticians with practical guidelines to compile a monthly ISP rather than a mere discussion of various conceptual and methodological aspects for measuring services activities. It is intended that the Manual will also provide a useful aid for the design of monthly surveys to measure the production of services industries as a by-product. Thus, it borrows from or directly quotes relevant text from a number of existing publications such as the SNA 1993; various Eurostat manuals; and the OECD Glossary of Statistical Terms. At the same time, the Manual utilises the outcomes from other related discussions such as the Joint OECD-Eurostat Task Force on Services Prices and the Voorburg Group.
7. The ISP Manual is organised in six parts. The first two sections discuss general issues and infrastructure regarding the services sector and its production activities. The third and fourth sections deal with terminology, methods, and input data and their deflators to be used in the compilation of monthly ISP. Detailed technical issues and implementation and dissemination regarding the compilation of monthly ISP are presented in sections E and F, respectively.

8. To date, most parts of the Manual have been prepared and a final draft of the Manual will be ready for the OECD's Committee on Statistics (CSTAT) by early 2006.

d. Specific issues for STESEG comment

9. STESEG members are now asked to provide written comments by Thursday, 9 June 2005 on the following issues, together with any other points/issues they feel appropriate.

Section B

Do you agree on the:

- 1) definitions and recommendations for statistical units, Classification and Services sector coverage?
- 2) classification concordance provided in Table B 2.1?

Section C.2

- 1) Do you agree on the definitions proposed for Turnover, Sales, Receipts, Output, Physical quantity, Employment, Other variables?

Section D.3

- 1) Do you agree with variables and deflators presented in the 27 tables (in Annex 2) as "preferred", "alternative" and "other methods"?

Section E

E.1 types of index

- 1) Do you think that the stated advantages and disadvantages of the various types of volume indices (in Table E.1-A) are complete and relevant?
- 2) Do you agree on the recommendations provided for the type of index?
- 3) Do you currently produce any indices for short-term economic statistics using the fixed weight method (i.e. you do not chain link when updating weights)?

E.2 Transformation of input data

- 1) Do you agree with the recommendations provided for coping with missing input variables and ruptures in data and for adjustments?

E.3 Consolidation

- 1) Do you agree with the recommendations provided for weights to be used to aggregate together individual indices into an ISP?
- 2) Do you find the Section on Quality of data products useful and the discussion in the Section on these issues relevant?
- 3) Should the paragraph on productivity be further developed?