

Terminologies for Index of Services Production

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Terminologies for ISP

- Concepts Related to ISP
- Definitions of Variables Used to Measure Services Production

Concepts Related to ISP

- General Agreement by All Countries
- ESA vs SNA Definitions of Market Output and Economically Significant Prices

Market Output

- ESA Appears to Include Output Produced for Own Final Use
- SNA Treats This Own Account Production as Non-Market Output

Economically Significant Prices

- ESA – Cover at Least 50% of Product's Production Costs
- SNA – Significant Influence Over What a Supplier Produces and a Consumer Demands

Concepts Related to ISP

- SNA is Accepted International Standard
- Implications of ESA's Added Specificity

Definition of Variables

- Add Real Gross Value Added as “Conceptually Preferred” Industry Measure (U.S.)
 - GVA Preferred Weighting Variable
 - Coherence and Consistency With National Accounts
 - Problem of Availability

Definition of Variables (continued)

Output

- Exclude Inventories Held for Resale (Australia)

Definition of Variables (continued)

Turnover/Sales

- Wide Variation in Use
- Practical Approach In Using Interchangeable Definition
- Attempt to Draw Conceptual Distinction with Related Variables

Turnover/Sales

Defined:

Turnover comprises the totals invoiced by the observation unit during the reference period, and this corresponds to gross sales of goods or services supplied to third parties. Turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover.

Table C.2.1 Comparison between turnover, sales, revenue and receipts

Component Item	Turnover/ Sales	Operating Revenue	Total Revenue	Total Receipts
Gross sales of goods	Yes	Yes	Yes	Yes
Provision of services	Yes	Yes	Yes	Yes
Shipping and Handling	Yes	Yes	Yes	Yes
Installation	Yes	Yes	Yes	Yes
Maintenance and repair	Yes	Yes	Yes	Yes
Alteration	Yes	Yes	Yes	Yes
Storage	Yes	Yes	Yes	Yes
Receipts from the rental of vehicles, equipment, instruments, tools, and other merchandise	Yes	Yes	Yes	Yes
Commissions from the arrangement of financing	Yes	Yes	Yes	Yes
Payments for work in progress	Yes	Yes	Yes	Yes
Market value of compensation received in lieu of cash	Yes	Yes	Yes	Yes
Gross sales from departments, concessions, and amusement and vending machines operated by others	Yes	No	No	Yes
Unit share of sales from departments, concessions, and amusement and vending machines operated by others	No	Yes	Yes	No
Amounts received from work subcontracted to others	Yes	No	No	Yes
Consumption, sales, and value added taxes	No	No	No	Yes
Proceeds from the sale of real estate, investments, or other assets held for resale	No	No	No	Yes
Income from interest and dividends	No	No	Yes	Yes
Rental of real estate	No	No	Yes	Yes
Contributions, gifts, loans and grants	No	No	Yes	Yes
Reduction in prices, rebates, discounts and returned packing	No	No	No	No
All duties and taxes on the goods or services invoiced by entity	No	No	No	No
Operating subsidies received from public authorities	No	No	No	No

Note: yes stands for inclusion; no stands for exclusion.

Turnover/Sales (continued)

- General Agreement
- Definitions Should Follow Estat, STS, and SBS (Austria)
- Treatment of Real Estate Rentals (U.S.)
- Use of VAT Data (Finland)
- Gross vs. Net (Mexico and Denmark)
- Links to Preferred Variables in Section D (U.K.)
- Need for Conceptual Definitions for Receipts and Revenue

Other Definitions

- General Agreement
- Employment – Treatment of Self-Employed (Australia) and Conversion to Full-Time Equivalent Units (Denmark)
- Use of Hours Worked as a Measure for Labor Input (ISTAT)
- Expanded Discussion on Physical Quantities (ISTAT)

International Comparability

- Need for Comparable Sub-Sector Coverage (Italy)