

Joint OECD/Eurostat Task Force for the revision of the SPPI Guide

Meeting of the Group of Experts on Consumer Price Indices

UNECE, Geneva, 31 May 2012

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Overview

1. Background
2. New joint OECD/Eurostat Task Force for the revision of the SPPI Guide
3. Main issues for the new SPPI Guide
4. Work-plan & timeline

Background

The 2006 SPPI guide

Joint OECD Eurostat Task Force

Established in 2002

19 OECD/EU countries

Objectives:

- **Enhance the development of SPPI**
- **Provide input to a common methodology**
- **Rely on material already produced by the Voorburg Group**
- **Share the experiences and lessons related to the collection of data and the compilation of indices**

19 service industries covered

- **Transportation, Storage and Communication**
Section I (ISIC 3.1 / NACE 1.1)
- **Real estate, Renting and Business activities**
Section K (ISIC 3.1 / NACE 1.1)

Size of industries

Speed of technological change

Users demands (esp. national accountants)

Since the 2006 SPPI Guide

- OECD and EU countries have expanded the compilation of SPPIs
- Large expansion of material produce by the Voorburg Group
- ISIC 4 / NACE 2
- 2008 SNA



Need for revision

New joint OECD / Eurostat Task Force for the revision of the SPPI Guide

Objectives

- Take into account new developments in service industries (e.g. new contracts forms, new pricing mechanisms)
- Share experiences with SPPI
- Review methodological chapters (e.g pricing methods, practical aspects of development process)
- Alignment of chapters to ISIC 4 / NACE 2
- Enlarge the scope of industries

Synergies with the Voorburg Group

- **Incorporate material from Voorburg Group following the agreement of the authors**
- **André Loranger (Statistics Canada) officially represent the Voorburg Group on the Task Force**

Task Force Members

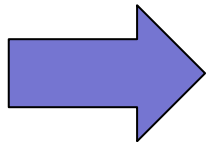
14 OECD / EU countries

- Austria
- France
- Germany
- Hungary
- Netherlands
- Poland
- United-Kingdom
- Australia
- Canada
- Israel
- Japan
- Korea
- Mexico
- United-States

Main issues for the new SPPI Guide

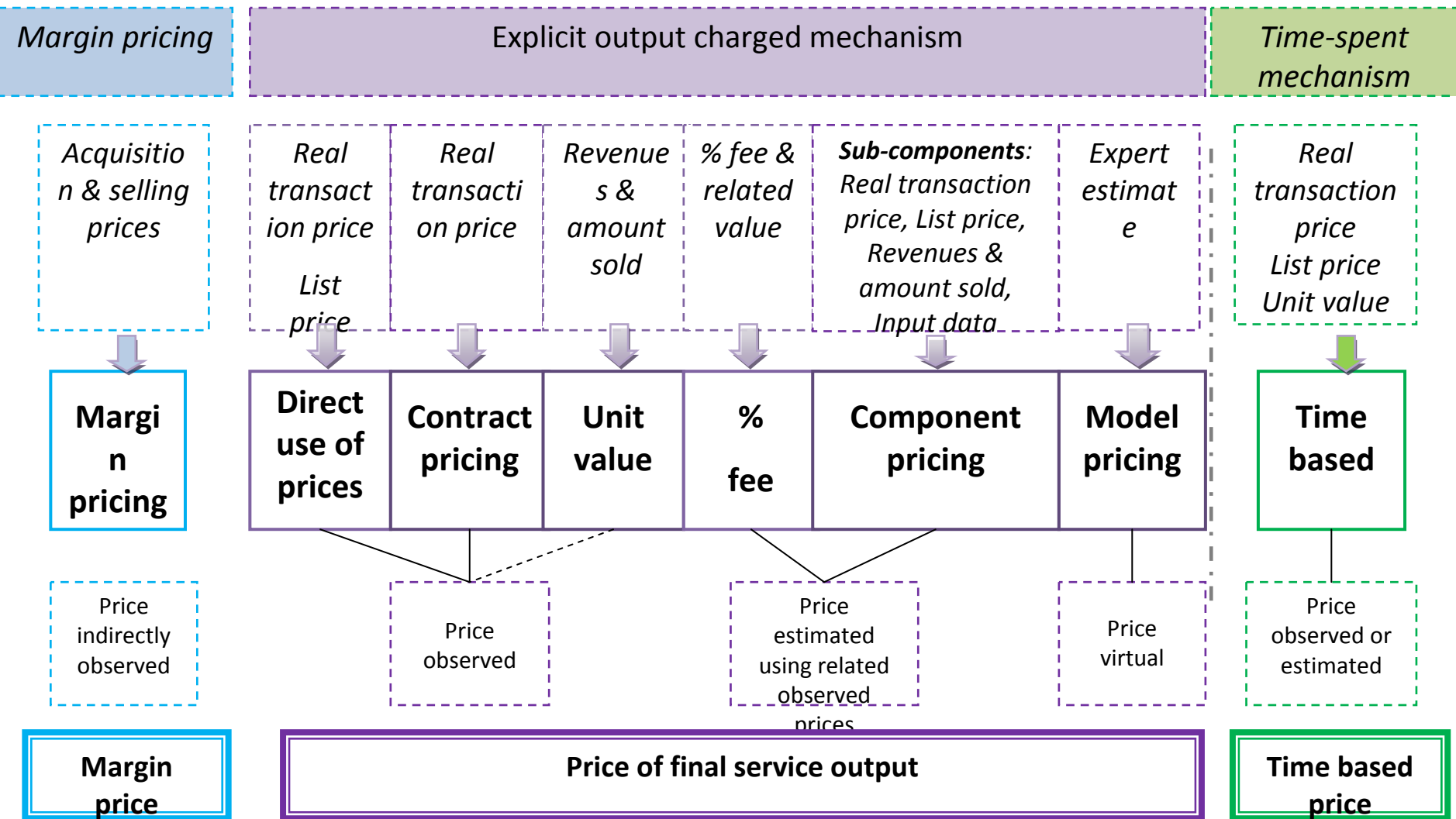
Methodological issues (1/3)

- **Additional pricing method**
 - Margin pricing (Wholesale & retail trade, FISIM)
- **Modification of description of existing pricing methods**
 - Use of CPI as proxies
 - Data type in the survey (Voorburg Group input)



ENLARGEMENT OF THE CLASSIFICATION

Methodological issues (2/3)



Methodological issues (3/3)

More detailed discussion on:

- ✓ Quality changes
- ✓ Weighting schemes (e.g. Industry vs. Product SPPI, changing index reference period & the use of chain-linking methods)
- ✓ Sampling methods
- ✓ Outsourcing, off-shoring and sub-contracts
- ✓ Bundled services
- ✓ Designing SPPI by destination of output (BtoB, BtoC, BtoAll and BtoE)
- ✓ Aggregation of the overall SPPI

Scope (1/3)

19 service industries are currently covered by the Guide

- **4 service industry sections need to be revised extensively:**
 - ✓ **Sea and coastal water transport**
 - ✓ **Air transport**
 - ✓ **Telecommunication**
 - ✓ **Computer programming, consultancy and related activities**

Scope (2/3)

➤ 15 Service industry sections will be enhanced with the material from the Voorburg Group:

- Freight transport by road
- Warehousing and storage
- Cargo handling
- Post and courier activities
- Real estate activities with own or leased property
- Legal activities
- Accounting, bookkeeping and auditing activities; tax consultancy
- Activities of head offices; management consultancy activities
- Architectural and engineering activities and related technical consultancy
- Technical testing and analysis
- Advertising
- Market research and public opinion polling
- Employment activities
- Security and investigation activities
- Cleaning activities

Scope (3/3)

- **9 new service industry sections will be included in the new version of the SPPI Guide:**
 - **Waste management**
 - **Wholesale and retail trade**
 - **Food and Accommodation**
 - **Publishing of books & periodicals**
 - **Software publishing**
 - **Financial activities**
 - **Insurance activities**
 - **Health service industries**
 - **Research and Development**

Work plan and timeline

Work plan (1/2)

- OECD & Eurostat take the responsibility for drafting methodological chapters:
 - ✓ Chapter 1 – *General aspects of SPPI compilation*
 - ✓ Chapter 2 – *Main pricing methods for SPPI*
 - ✓ Chapter 3 – *Practical aspects of the development process*

Work plan (2/2)

- Task Force members responsible for drafting sections of Chapter 4 - *Compilation of SPPI for specific service industries*

For each service industry section:

- ✓ one lead author, and
- ✓ one or more contributors

Timetable

- *First meeting – 14 & 15 April 2011, Paris*
 - *Second meeting – 26 & 27 September 2011, Newport*
 - *Third meeting – 26 & 27 April 2012, Paris*
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- **First draft of new SSPI Guide: Winter 2012**
 - **Final draft: Beginning of 2013**

Thank you for your attention

For further information, contact Anne-
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