



# Economic and Social Council

Distr.: General  
14 December 2017

Original: English

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## Statistical Commission

### Forty-ninth session

6–9 March 2018

Item 4 (e) of the provisional agenda\*

**Items for information: service statistics**

## Report of the Voorburg Group on Service Statistics

### Note by the Secretary-General

In accordance with Economic and Social Council decision 2017/228 and past practices, the Secretary-General has the honour to transmit the report of the Voorburg Group on Service Statistics, which is presented to the Statistical Commission for information. In its report, the Group describes its progress since its previous report to the Commission in 2015, including a new five-year strategic plan, its best practices in new covered industries and its continuing discussion of several cross-cutting issues, such as bundling and e-commerce. The Commission is invited to take note of the report.

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\* [E/CN.3/2018/1](#).



## Report of the Voorburg Group on Service Statistics

### I. Introduction

1. In the late 1980s, the Voorburg Group on Service Statistics was established in response to a request from the Statistical Commission for assistance in developing service statistics. The first meeting, hosted by the Netherlands Statistical Office, was held in January 1987 in Voorburg, the Netherlands, from which the Group derives its name.

2. The Voorburg Group was not created to be simply another forum for exchange of information. Instead, it was to be a group of countries interested in and capable of carrying out developmental work between and during meetings, following well-established rules and a clear timetable. In fact, the purpose of the Group was to address issues related to the production of service statistics, including service product outputs and inputs, the estimation of the real product of service activities and price indices of service products and industries, as well as their implications for product and industry classification (Central Product Classification (CPC) and International Standard Industrial Classification of All Economic Activities (ISIC)).

3. Over the years, the Group was successful in developing product and industrial classification and model surveys and discussing a wide range of topics, such as the information society, short-term indicators and international trade in services, to name only a few. In 2005, in response to concerns about the Group's broad agenda and wide participation, the Voorburg Bureau reviewed the focus and modalities of the Group and prepared a strategic vision paper describing the mandate, role and workplan for the future of the Group. The vision paper was presented at the thirty-sixth session of the Statistical Commission, held in March 2005, at which the mandate of the Voorburg Group was renewed, with a particular emphasis on the development of service producer price indices (SPPIs).

4. During the thirty-sixth session of the Statistical Commission, the Voorburg Group presented an updated strategic vision to guide future work that focused on the proper identification and definition of service industries, products and measures of turnover, combined with a coordinated effort to develop producer price indices for use as deflators to improve the measurement of service components of gross domestic product (GDP) at constant prices. Consequently, the Group focused its work on classification issues, output measures, and price indices.

5. In 2006, the Voorburg Group adopted a content development framework to ensure that its work was focused on the strategic vision and would be presented by a set of tangible outputs that would provide information to the larger official statistics community.

6. The Statistical Commission last took note of a report by the Voorburg Group during its forty-sixth session, in 2015.

7. The present report provides an update on the progress made by the Group in addressing best practices in service industry output statistics, service industry price statistics and service industry and product classifications. It also presents changes in the Group's operations for the future, as articulated in its strategic plan for 2017–2021.

## II. Progress since 2014

8. In early 2017, the Voorburg Group published a new strategic plan that reflected the changing needs of the Group's members. The new plan is designed to guide the Group's efforts for at least the next five years. It describes the Group's mission, its vision, its five-year objectives and a detailed workplan. The mission continues to reflect the mandate given by the Statistical Commission, but is now more targeted, as follows:

(a) *Mission.* The mission of the Voorburg Group on Service Statistics is to establish and maintain an internationally comparable methodology for measuring output and producer price indices for the services industries. The Group focuses on the development of concepts and methods, the sharing of best practices and the identification of classification needs. In so doing, the Group will be mindful of the diverse needs of its members and will continue to focus on the importance of expanding its knowledge base in line with rapid changes in services industries and product areas;

(b) *Vision.* The Voorburg Group is a premier source of guidance and best practices for the development of measures of output and producer price indices for services industries.

9. For most of the period under review, the Voorburg Group has followed its content development framework established in 2006, while working to update that framework to better align to the current needs and strategic direction of the Group. This ensured that the work of the Group was focused and would result in a set of tangible outputs that would provide information to the larger official statistics community.

10. Increasingly, the Voorburg Group has been tackling cross-cutting issues such as bundling of services, reselling of services, quality adjustment and use of alternative data sources that provide significant challenges in the measurement of the volume of services produced in an economy. Where practical solutions can be found, these are documented in guidance papers, or at least are summarized in issue papers to ensure the collective knowledge of the Group on an issue is not lost over time. The Voorburg Group works with other international groups and organizations to avoid duplication of effort while ensuring that concepts, frameworks and requirements are considered in sector and guidance papers.

11. In addressing new industries or topics, the Voorburg Group has adopted a series of mini-presentations of national experiences that are summarized into a sector presentation (industries) or guidance paper (cross-cutting issues) that details best practices. Cross-cutting topics are also covered through poster sessions, followed by a summary report. In addition to these topics, the Voorburg Group has continued to review areas of interest and need. A summary of activities by year since the previous progress report is set out below.

(a) **2015, Sydney:**

(i) The 2015 meeting included presentation and approval of sector papers for call centres, travel agency activities and specialized design activities and an issue paper on leasing of intellectual property. There were new mini-presentations for other reservation services and related activities, veterinary activities, office and administrative support activities, and organization of conventions and trade shows;

(ii) 2015 also saw cross-cutting topic discussions on issues and best practices concerning bundling of services, on the use of an industry versus product framework for measurement of particular services and the treatment of reselling of services. The Group also held its first structured poster session in which eight national statistical offices shared their experiences either on the use of administrative data or on country challenges in developing SPPIs;

(iii) Finally, the Group spent time discussing options for the future of the Voorburg Group, reviewing a paper written by the Group's leadership bureau and setting the stage for drafting of a new strategic plan;

**(b) 2016, Zagreb:**

(i) The 2016 meeting included presentation and approval of sector papers for organization of conventions and trade shows and for veterinary activities (the latter covering only turnover/output). The Group also considered a new issue paper for office and administrative support activities. The Group also considered two guidance papers on bundling of services and an industry versus product framework, following up on the cross-cutting topics discussed at the 2015 meeting. There were new mini-presentations for activities auxiliary to financial service activities, except insurance and pension funding, and for motion picture, video and television programme production, sound recording and music publishing activities;

(ii) 2016 also saw a cross-cutting topic session on the use of time-based methods and the challenge of productivity for SPPIs and on experiences in starting measurement of services. For the second year, the Group held another highly successful structured poster session in which four national statistical offices presented posters related to the theme of initiating SPPIs or turnover/output statistics and five national statistical offices presented posters on the use of alternative data sources;

(iii) Finally, a large part of the 2016 meeting was spent reviewing and approving the new strategic plan of the Voorburg Group, which was formally presented to the membership at the meeting. Feedback was obtained and the plan was revised during the meeting with the basic contents approved and the co-chairs authorized to update and finalize the plan for posting on the Group's website and sharing with the Statistical Commission by the spring of 2017;

(iv) Related to this effort was the presentation and discussion of a new content development framework for use by the Group for the first time in preparation for the 2017 meeting;

**(c) 2017, New Delhi:**

(i) The 2017 meeting included presentation and approval of a sector paper for activities auxiliary to financial service activities, except insurance and pension funding. The Group furthered its work on motion picture, video and television programme production, sound recording and music publishing activities with a specific discussion on the classification of streaming services. The Group also brought forward areas of change in telecommunications and engineering for a revision to the sector papers guiding the measurement of these two industries. In addition to the related mini-presentations on engineering, there were new mini-presentations for other financial service activities, except insurance and pension funding activities (e.g. investment banking);

(ii) 2017 also saw cross-cutting topic sessions on practical issues in the measurement of services stemming from e-commerce, including an overview by the Organization for Economic Cooperation and Development (OECD) on international work related to measuring the digital economy. The Voorburg Group also looked at issues related to globalization. The session included a presentation by OECD summarizing data needs for national accounts and the work completed to date. Delegates shared their practices in developing quality indicators for output and price data;

(iii) Finally, the Group reviewed its progress in following its strategic plan, including reports on task forces who worked throughout the year. The Group provided feedback on the new content development framework that was introduced for 2017. The Group approved criteria for work on cross-cutting topics and practices to ensure that Voorburg Group documentation remains relevant and up to date. The updated Voorburg Group website was presented, along with plans to develop a collaborative space online for participants to work between meetings.

12. The Voorburg Group has developed a considerable library of national experience in the development of turnover and price statistics for service industries since the institution of the content development framework. Overall, the Group has addressed 114 service industries as defined by revision 4 of ISIC, representing an addition of nine industries since the last progress report. A full list of industries is included in the annex to the present report. It should be noted that in recent years, for some of the industries only turnover statistics were studied owing to a lack of coverage for price statistics.

13. A task force presented a new content development framework for the Group, which had been tested in practice. It covers several new industry and output/price issues to be looked at when analysing a specific area. Feedback from the group was generally positive; it had forced members to look across their national statistical office for collecting the necessary information, which was regarded as a valuable exercise. Minor adjustments in the content development framework will be made before the next meeting.

14. The Group maintains a website on which all its sector papers and related materials are stored for reference by interested parties ([www.voorburggroup.org](http://www.voorburggroup.org)). The website is hosted by Statistics Canada and was redesigned in 2017 to introduce better search capability. A task force of Voorburg Group delegates collaborated to improve the function and usability of the website. Further enhancements are expected in the coming year.

15. As the Voorburg Group is dealing with more cross-cutting issues, there is a need to coordinate the work with frameworks and concepts developed by other international groups, while ensuring that the Group does not duplicate efforts. This means ensuring that internationally comparable methods to measure the services sector reflect changes in concepts and activities related to broader issues, including globalization and the impact of digitalization. One of the objectives of the Group is to strengthen its connections with other international groups. In tackling broader issues, the Voorburg Bureau has consulted with international organizations, including the Statistics Division of the Department of Economic and Social Affairs of the Secretariat, the International Monetary Fund (IMF), OECD and Eurostat. The 2017 meeting included topics related to globalization and the digital economy to which the IMF and OECD contributed.

### **III. Future agenda**

16. The tentative agenda for the thirty-third meeting of the Voorburg Group includes industry papers for data processing, hosting and related activities (ISIC 6311), covering measurement issues for output and prices with specific discussions on cloud computing. The Group will review sector papers for telecommunications and architectural and engineering activities and discuss a new sector paper on other financial service activities, except insurance and pension funding activities. The Group will produce and discuss an issue paper focusing on questions raised at the thirty-first and thirty-second meetings regarding motion picture, video and television programme production, and sound recording and music publishing activities (ISIC 591 and 592). The Group will also produce and discuss an issue paper on e-commerce based on shared experiences from the thirty-second meeting. Cross-cutting topics to be discussed at the next meeting include intermediaries in the provision of services, quality adjustment methods in a digital economy, export of services, and profiling and data collection of large complex enterprises.

17. Three task forces have been established to work on the issues set out below before the 2018 meeting:

(a) Further development of the Group's permanent website and communication platforms;

(b) Finalization of the content development framework presented at the 2017 meeting of the Group;

(c) Review of the issues and challenges in measuring wholesale trade that were summarized and presented in 2012 to determine if sufficient progress has been made to update guidance on the industry.

18. The Voorburg Group provided a set of recommendations to the Statistics Division for the upcoming revision of ISIC; the Group's secretary, John Murphy, shared the recommendations with the Expert Group on International Statistical Classifications. The Voorburg Group is a unique resource for advice on the content and structure of standard classifications because of its members' hands-on experience. The Group's workplan revisits and updates past work to incorporate market changes and developments.

### **IV. Action required by the Statistical Commission**

19. The Commission is invited to take note of the report of the Voorburg Group on Service Statistics

## Annex

### Industries covered by the Voorburg Group on Service Statistics, 2006–2017

<i>ISIC code</i>	<i>Industry title</i>
3312	Repair of machinery
3313	Repair of electronic and optical equipment
3314	Repair of electrical equipment
3315	Repair of transport equipment (except motor vehicles)
3319	Repair of other equipment
3600	Water collection, treatment, and supply
3700	Sewerage
3811	Collection of non-hazardous waste
3812	Collection of hazardous waste
3821	Treatment and disposal of non-hazardous waste
3822	Treatment and disposal of hazardous waste
3830	Materials recovery
3900	Remediation activities and other waste management services
4520	Maintenance and repair of motor vehicles
462–469	Wholesale trade
4911	Passenger rail transport, interurban
4912	Freight rail transport
4923	Freight transport by road
5011	Sea and coastal passenger water transport
5012	Sea and coastal freight water transport
5021	Inland passenger water transport
5022	Inland freight water transport
5110	Passenger air transport
5120	Freight air transport
5210	Warehousing and storage
5221	Service activities incidental to land transportation
5222	Service activities incidental to water transportation

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<i>ISIC code</i>	<i>Industry title</i>
5223	Service activities incidental to air transportation
5224	Cargo handling
5229	Other transportation support activities
5310	Postal activities
5320	Courier activities
5510	Short term accommodation activities
5520	Camping grounds, recreational vehicle parks and trailer parks
5590	Other accommodation
5610	Restaurants and mobile food service activities
5621	Event catering
5629	Other food service activities
5630	Beverage serving activities
5811	Book publishing
5812	Publishing of directories and mailing lists
5813	Publishing of newspapers, journals and periodicals
5819	Other publishing activities
5820	Software publishing
5910	Motion picture, video and television programme activities
5920	Sound recording and music publishing activities
6010	Radio broadcasting
6020	Television programming and broadcasting activities
6110	Wired telecommunications activities
6120	Wireless telecommunication activities
6130	Satellite telecommunications activities
6190	Other telecommunications activities
6201	Computer programming activities
6202	Computer consultancy and computer facilities management services
6209	Other information technology and computer service activities
6311	Data processing, hosting and related activities

<i>ISIC code</i>	<i>Industry title</i>
6312	Web portals
6411	Central banking
6419	Other monetary intermediation
6492	Other credit granting
6499	Other financial service activities, except insurance and pension funding activities, n.e.c.
6512	Non-life insurance
6520	Reinsurance
6610	Activities auxiliary to financial service activities, except insurance and pension funding
6810	Real estate activities with own or leased property
6820	Real estate activities on a fee or contract basis
6910	Legal activities
6920	Accounting, bookkeeping and auditing activities; tax consultancy
7020	Management consultancy activities
7110	Architecture and engineering activities and related technical consultancy
7120	Technical testing and analysis
7210	Research and experimental development on natural sciences and engineering
7220	Research and experimental development on social sciences and humanities
7310	Advertising
7320	Market research and public opinion polling
7410	Specialized design services
7500	Veterinary activities
7710	Renting and leasing of motor vehicles
7721	Renting and leasing of recreational and sports goods
7722	Renting of video tapes and disks
7729	Renting and leasing of other personal and household goods
7730	Renting and leasing of other machinery, equipment and tangible goods

<i>ISIC code</i>	<i>Industry title</i>
7740	Leasing of intellectual property and similar products, except copyrighted works
7810	Activities of employment placement agencies
7820	Temporary employment agency activities
7830	Other human resources provision
7911	Travel agency activities
7999	Other reservation service and related activities
8010	Private security activities
8020	Security systems service activities
8030	Investigation activities
8110	Combined facilities support activities
8121	General cleaning of buildings
8129	Other building and industrial cleaning activities
8130	Landscape care and maintenance service activities
8210	Office administrative and support activities
8220	Activities of call centres
8230	Organization of conventions and trade shows
8610	Hospital activities
8620	Medical and dental practice activities
8690	Other human health activities
9000	Creative, arts and entertainment activities
9101	Library and archives activities
9102	Museums activities and operation of historical sites and buildings
9103	Botanical and zoological gardens and nature reserves activities
9311	Operation of sports facilities
9312	Activities of sports clubs
9319	Other sports activities
9521	Repair of consumer electronics
9522	Repair of household appliances and home and garden equipment
9523	Repair of footwear and leather goods

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<i>ISIC code</i>	<i>Industry title</i>
9524	Repair of furniture and home furnishings
9529	Repair of other personal and household goods

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