



Economic and Social Council

Distr.: General
16 December 2019

Original: English

Statistical Commission

Fifty-first session

3–6 March 2020

Item 4 (d) 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 2019/210 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 Statistical Commission in 2017, 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 group has revisited some industries since 2017, and a revisited sector paper will be produced within advertising for presentation at the 2020 meeting. In 2016–2017, the Group developed a new content development framework, to be used when industry-specific papers concerning measurement of output or prices are produced within more than 85 service industries defined in the *International Standard Industrial Classification of All Economic Activities, Revision 4*. The Group's work product and tangible outputs are available on its newly redesigned website (<https://voorburggroup.org/>), which was implemented in 2017 through multi-country cooperation. The Group also actively collaborated on other issues between the 2017 and 2019 meetings. The Commission is invited to take note of the report.

* E/CN.3/2020/1.



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 the 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 an 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 the 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. In early 2017, the Voorburg Group published a new strategic plan that reflects 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 Services Statistics is to establish and maintain an internationally comparable methodology for measuring output and producer price indexes 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 continue to focus on the importance of expanding its knowledge base in line with rapid change in services industries and/or 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 indexes for services industries.

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 2017

8. 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.

9. Increasingly, the Voorburg Group has been tackling cross-cutting issues such as bundling of services, intermediation in services transactions (in the past termed “reselling of services”), quality adjustment, digital economy 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 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.

10. 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 those 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) **2018, Rome:**

(i) The 2018 meeting included presentation and approval of a sector paper for investment banking and a revisited sector paper for telecommunications. An issue paper for motion picture, video and television programme production and post-production activities (ISIC 5911 and 5912) was presented and discussed. There were mini-presentations for data processing, hosting and related activities;

(ii) 2018 also saw cross-cutting topic discussions on issues and best practices concerning measurement challenges in the digital economy, export of services, intermediaries in the provision of services and quality adjustment in a digital economy. The Group held a well-structured poster session in which four national statistical offices presented practical aspects of profiling and collecting data on large complex enterprises;

(iii) Finally, the Group spent time discussing the new content development framework, its website and updates of the glossary;

(b) **2019, Paris:**

(i) The 2019 meeting included a presentation of the revisited sector paper for architecture and engineering activities and related technical consultancy. The paper will be finished before the 2020 meeting and published on the Group's website. The Group also discussed three issue papers for data processing, hosting and related activities, intermediation on the provision of services and export of services. There were new mini-presentations for advertising, short-term accommodation and publishing (ISIC 5812 and 5813);

(ii) 2019 also saw cross-cutting topic sessions on SPPIs by customer sector, digital advertising activities in service, new short-term indicators on services (Eurostat framework regulation integrating business statistics) and modern methods used in statistical production. The Group held another successful structured poster session in which four national statistical offices presented posters related to practical experience in using third-party data sources (other than administrative and tax data).

11. 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, and the 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.

12. The Group maintains a website on which all its sector papers and related materials are stored for reference by interested parties (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. The Group will seek to further improve the website in the coming period.

13. 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, the Organization for Economic Cooperation and Development and Eurostat.

III. Future agenda

14. The tentative agenda for the thirty-fifth meeting of the Voorburg Group includes industry papers for renting and leasing of motor vehicles (ISIC 7710), renting and leasing of other machinery (ISIC 7730) and warehousing and storage (ISIC 5210), covering measurement issues for output and prices. The Group will review the sector paper for advertising (ISIC 7310). The Group will produce and discuss an issue paper focusing on questions raised at the thirty-fourth meeting regarding short-term accommodation (ISIC 5510). Cross-cutting topics to be discussed at the next meeting include SPPI sampling methods and sources, transfer prices (depending on whether an international organization volunteers), hourly charge-out rates and new

technologies, and international trade in services by mode. The Group will present and discuss the topic “Alternative data – best practices to evaluate fitness for use” through a structured poster session.

15. One task force has been established with the aim of creating, before the 2020 meeting, a summary of all the alternative data sources presented to the Voorburg Group since the 2015 meeting.

16. 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 to be taken by the Statistical Commission

17. 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,
2006–2019**

<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
5223	Service activities incidental to air transportation

<i>ISIC code</i>	<i>Industry title</i>
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
6312	Web portals
6411	Central banking
6419	Other monetary intermediation

<i>ISIC code</i>	<i>Industry title</i>
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 services, 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
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

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