

## Appendix 1

### Background of the Establishment of the Monthly Survey on Service Industries

In Japan, the service industries (tertiary industry) makes up 3/4 of the total GDP, and employs approximately 3/4 of the persons engaged in all industries. In order to accurately monitor the status of the service industries, a proper infrastructure for obtaining statistical data is required.

However, when it comes to statistical information, the data has been managed inconsistently from sub-sector to sub-sector.

This made the entire picture of the service industries unclear and hard to grasp it accurately. It not only made it difficult to use the data for the purpose of industrial statistics, but also restricted the use for GDP related statistics and inter-industry relations table. There was thus a strong demand for improvement of the statistical infrastructure. Especially for Quarterly Estimates (QE) of GDP basic statistics, there is an increasing demand to change the monthly statistical report, where data is limited to only certain sub-sectors, to one where one can observe the entire picture of the service industries statistically.

Because of these demands, “the Monthly Survey on Service Industries” was established as part of collection of statistical reports based on the provision of the Statistical Reports Coordination Act (Act No.148 of 1952) (the general statistical survey based on the provision of the Statistics Act (Act No.53 of 2007) after April 2009). The monthly service is based on the government's policy regarding the statistical infrastructure “Basic Policies for Economic and Fiscal Management and Structural Reform 2006” (Cabinet Decision made on July 7, 2006). The aim is to improve data collection from industries where statistical infrastructure was relatively poor.

The establishment of the monthly survey on service industries means that we are actually moving forward towards the establishment of a statistical infrastructure which enables one to analyze the activity trend holistically and timely, including the sectors where infrastructure was previously inadequate.

We expect this to improve the various statistical data such as GDP estimates. We also expect that this can contribute to industrial activities, especially for the activities of the service industries, by providing data that can be useful for their management purposes.