

Direction des Statistiques d'Entreprises
Département des Activités tertiaires

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**18th Voorburg Group meeting on services statistics
2003 Progress report for France**

1. The main achievements for the recent period

1.1 Producer price index for services

The scope of prices collection of business services is continuously expanding. At the middle of 2003, price indices are available for engineering services, advertising, accounting services, business-cleaning services, car renting, construction equipment renting, investigation and security services, and computer services. The corresponding sectors represent altogether a little more than 40% of the output of business services.

Revised indices have been disseminated for accounting services. Indices for car renting and construction equipment renting, which were restricted, are now subject to public dissemination. Indices for advertising and some computer services are to be published by the end of 2003.

1.2 Classification of service activities and products

The 2002 revision of NACE/CPA has been implemented in the business register as well as in the sample of the structural surveys at the beginning of 2003.

The concerned division within INSEE took responsibility for the coordination of the French answer to the UNSC questionnaire regarding the major 2007 revision: this answer contains in particular a detailed proposition for the "Information sector".

1.3 Information society statistics

The annual survey on all types of telecommunication operators is now conducted on a current basis. It gives detailed information on the market shares of the different services offered, but it still remains difficult to collect data on the volume of transmission.

A survey on the use of ICT by enterprises has been launched at the end of 2002, with a questionnaire very similar to the Eurostat questionnaire. The first results have been delivered in September 2003.

A booklet containing data on the ICT producing sector, carried out in cooperation between the Ministry of Industry and INSEE, has been published in the summer 2003.

Questions on e-sales and e-purchases were introduced in the annual business survey in trade and service activities since the reported year 2000. The answers have been studied for the years 2000 and 2001. They show a still very low share of these kinds of transactions in the total turnover of the different sectors, revealing only some specialised slots.

1.4 Sales by services products

Since their implementation, the annual business surveys on the trade and service sectors have a question on the breakdown of turnover into a detail of products that goes further than the CPC. This has proved to be a very efficient tool to collect data, and gives an essential information for national accounts, for the weighting of price indices, and more generally for a more accurate description of the concerned activity. INSEE participated to an exercise under the Eurostat supervision about breaking down turnover by product, by type of clients and geographical destination. The French annual business survey proved to be a very good vehicle to deliver this information.

1.5 Short term indicators

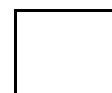
To meet the European requirements, it has been necessary to develop a method for estimating a timely index of retail trade turnover (available 30 days after the end of the month). This index is, for the time being, only experimental. Work is also under way to establish a monthly turnover index for the small retail trade enterprises (less than 10 employees), following the demand of the Chambers of Commerce.

2. Main issues and challenges

2.1 Requirements of the European statistics

The development of service statistics is a European public statistics priority which has to be supported: it is generally a question of upgrading data available on businesses in these sectors to bring them up to the level of data available in manufacturing industries. In this respect, some sectors providing services to individuals, not currently included in the annual business survey (and also not in the European projects), probably deserve to be included in the French surveys, together with financial auxiliary services. As far as short term statistics are concerned, our efforts have to be put on the timely processing of the VAT.

It is in relation to the price of business services that significant progress will continue to be expected in coming years. In this respect, French concerns are included in the Eurostat project for which priorities are currently being defined, in order to harmonise work by the various member States. The indices listed as top priority should be available in 2005, further cover extending beyond this date.





2.2 The overhaul of the French business statistical system

The tertiary sector will be hit along with other sectors by the overhaul of the business statistics system planned by INSEE in the coming years. This revision process aims in particular at rationalising the procedure covering annual surveys and the use of fiscal data, in order to produce sets of statistical data that, if not quite unique, will at least be more clearly linked.

Hitherto based essentially on the observation of legal units, the business statistics system also needs to evolve in order to take better account of enterprise groups.

3. The priorities of the work program for the next years

3.1 Producer price index for services

The implementation of the price indices has started for business consultancy: two meetings were held with the professional organisations, as well as test visits in some companies. The start of the data collection is foreseen in the autumn. The work is less advanced on temporary work recruitment, for which we have only contacted the professional organisation to see the possible ways of cooperation. Research have not begun for telecommunications, which are the next branch on the agenda.

Generally speaking, we expect to cope with the requirements of the revised European regulation on short term statistics, in terms of the branches covered as well as in terms of time limit.

At the beginning of 2004, an Internet data collection will be offered through a dedicated website: this is expected to alter the work of the data analysts, allowing them to concentrate on difficult cases.

3.2 Classification of service activities and products

Once the aggregated levels of the ISIC/NACE will be defined, the question of the detailed level will be raised. Service statisticians will make propositions on the basis of their experience of collecting data on turnover or on prices, keeping watch on the international discussions that will lead to the revised classifications, and being involved in the definition of the French version.

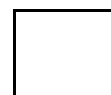
Once the new classifications have been defined, it will be necessary to adapt all the tools used for statistical production purposes.

3.3 Information society statistics

The results of the ICT usage survey in enterprises will lead in 2004 to a joint publication by INSEE and the Ministry of Industry.

A second survey on Internet B2C will be conducted in January 2004: a first one had been carried out at the end of 2000. The second survey will allow to monitor the development of the supply of this distribution channel, as well as its factors and characteristics. The upcoming survey will cover not only the retail trade sector, but also some sectors of services to households and some manufacturing industries where Internet direct sales are not negligible.

A draft regulation on information society statistics is currently discussed at the European level, and might be agreed upon in 2004. The data to be collected are not precisely defined at this time: but this will most probably require to carry out annual surveys on this topic, on enterprises and on households, from 2005 onwards. In between, we are considering a survey aiming at monitoring the impact of ICT on the economic results of firms.



An initial survey of knowledge management within businesses is scheduled to be launched in 2004, covering the manufacturing sector and the service sector. The European "Innovation" survey will be repeated in 2005: the experience from the previous survey (which tried to implement a new definition of innovation, more suitable for services and trade sector) will be used as an input for the next version of the Oslo manual.

An analysis of the "information society" does not involve merely monitoring technological developments, but also raises the question of how to measure intangible assets. This poses specific problems, associated with the difficulty of identifying such assets independently of their support structure or their effects. It is proposed to open up this field in the coming years, in collaboration with foreign experiments as much as possible.

3.4 Non profit institutions

The aim of including in the SIRENE register of economic units all membership organisations with wage-earners employees or paying taxes has practically been achieved.

Furthermore, an operation aiming at estimating aggregates for the non-profit sector is to be launched in the course of 2003. The main aim of this project is to make national accounts more exhaustive. To this end, it was considered useful to try to construct a satellite account set up in line with the recommendations of the UNO international manual, for a baseline year (probably 2001).

3.5 Short term indicators

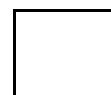
VAT data are used to calculate monthly indices for turnover for all market sectors, in great detail. On the other hand, it is difficult to control the time taken to obtain results: nevertheless, the target of regular 60-day publication, which will be required in the revised European regulation for service sectors other than retail trade, can be achieved within a year. A more general use of electronic submission of data means that in the medium term a reduction in these periods of about fifteen days can be expected.

4. Future possible topics

4.1 Enterprise groups, brand networks

More and more, legal units (which still remain the basis for structural statistics) are acting in some kinds of enterprise groups, networks, and so on. This cannot be ignored in our analyses. For the moment, we are exploring three ways to tackle with this issue:

- defining consolidated units within some very large groups, in order to identify the economic players consistently. In the tertiary sector, such consolidation will imply the transparency of certain legal units that operate exclusively in auxiliary functions within a group; in fact, this will correspond to focusing observation of a sector to units that are active on the market, and omitting those who are providing services only within their groups;
- using the group level, rather than the business level, in the concentration studies and financial analyses;
- implementing a system for monitoring brand networks for the trade sector: this should make it possible to obtain economic results regularly, broken down between independent trade and organised trade.



4.2 Localised information

There is a recurring demand for localised information, in particular in the field of retail trade and services to households, although it is difficult to respond to this systematically through annual business surveys.

Regional branches of INSEE make regular use of information extracted from the business register and from annual returns submitted by employers to the social security authorities. On a national level, it is planned to repeat a survey on the retail outlets in the course of 2005.

