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**UK OFFICE FOR NATIONAL STATISTICS: VOORBURG 2003**  
**CORPORATE SERVICES PRICE INDEX (CSPI)**

## **MINI PRESENTATIONS ON PPIs**

### **THE DEVELOPMENT OF A PRICE INDEX FOR COMPUTER SERVICES IN THE UK**

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## Industry

- **UK SIC division 72 - full range of computer services targeted**
- **Product classification as developed for ONS survey of computer services sales in 2000:**
  - similar to CPC and CPA, but some differences

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**Price collection framework (1)**

- **year 2000 ONS survey, 3 broad categories:**

**1. Products**

**2. People**

**3. Processes**

## Price collection framework (2)

### Products:

- development of custom built software
- development of packaged application software
- development of custom built and packaged non-application software

## Price collection framework (3)

### People:

- maintenance and support of software systems/applications
- computer systems integration service
- consultancy services
- hardware maintenance and repair

## Price collection framework (4)

### Processes:

- **disaster recovery and business continuity services**
- **facilities management/outsourcing and data processing services**

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## Sampling and weighting

- sub-sample of ONS 2000 survey (a stratified random sample from ONS business register)
- weights derived directly from results of 2000 survey
- price survey excludes businesses with <10 employees (UK policy)

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## Sample

- **recruitment project during 2002-03 resulting in:**
  - **panel of 130 contributors as at June 2003, providing about 300 quotes every quarter**
- **covering full range of product categories**
- **examples and guidance on recruitment form**
- **no process for regular updating of sample**



## Issues and Challenges (1)

- **inclusion of small companies**
  - (which account for over 30% of industry turnover)
- **sample attrition and new service providers**
- **reflecting changes in range and diversity of services**
- **quality assurance of item descriptions and price determining factors**

## Issues and Challenges (2)

- produce an experimental price index !
  - (a proxy for all computer services at first)
- development of quality adjustment strategy and further exploration of possibilities, e.g:
  - lines of code
  - hedonic modelling
  - function point analysis
- further industry consultations