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## **Development of Statistics on Service Industries in Japan**

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## **Development of Statistics on Service Industries in Japan**

### **1. Birth of the Survey on Service Industries**

As economic activities are moving towards services, the importance of the Tertiary Industrial Sector, especially that of service related industries is increasing. However, Japan's statistical system cannot be said to encompass this sector adequately.

An important effort to improve this situation was the implementation of the Survey on Service Industries in 1989 to obtain basic and general data on overall service industries.

More precisely, the Survey covered those establishments which belonged to the major group "L-Services" of the then Japan Standard Industrial Classification (10<sup>th</sup> Rev.), and aimed to clarify the basic structure and the actual status of business activities of Japan's service industries by investigating such basic items as number of persons engaged, gross value of all the sales and expenses, amount of investment on equipment, and so on, which are common to these industries.

The Survey is a large sample survey, which has been conducted every five years since then by the Statistics Bureau of Japan as a designated statistical survey under the Statistics Law.

### **2. Progress with the 2004 Survey on Service Industries**

The 2004 Survey, which will be the fourth round, is scheduled to be conducted in June next year. Several improvements are actively planned to implement in the coming Survey:

Firstly, as to the survey methodologies, for alleviating the burden on respondents and for efficient data collection, the Survey will be conducted along with the Establishment and Enterprise Census and the Census of Commerce, both of which are two large censuses on establishments. The survey items will have to be adjusted for this integrated data collection. (See the appendix for the questionnaire.)

Secondly, the coverage of the Survey has been vastly reviewed taking into consideration the whole statistical system for the Tertiary Industrial

Sector, as the major group “L-Services” has been reconstituted in the 2002 revision of the Japan Standard Industrial Classification.

This review has resulted in the addition of “Eating and Drinking Places”, “Real Estates”, etc. to the coverage of the Survey, and its share in the Tertiary Industrial Sector has increased greatly from about 30 % to about 45%, accordingly.

Moreover, taking account of the share of “Wholesale and Retail Stores” covered by the Census of Commerce, the total share will reach about 82 %. Therefore, the Survey and the Census of Commerce could be regarded to constitute jointly the “Fundamental Survey on the Tertiary Industrial Sector”.

### 3. Beyond the Restraint on the Survey on Service Industries to Reach an “Economic Census”

As stated above, the Survey on Service Industries has been successively improved, and has been playing a vital role in the formulation of economic policies, the compilation of national accounts, and so on, by providing basic and general data on overall service industries.

However, as the activities of establishments and enterprises are diversified, and various service activities are provided by non-service industries, this framework of data collection would not be sufficient to develop statistics on the Tertiary Industrial Sector (the widest range of service industries) systematically, because the current Survey cannot be free from the restraint that it contacts only those establishments which are sampled as service establishments. A new general data collection scheme should be implemented to entirely cover the activities performed by all the industrial sectors.

In pursuit of a solution of this issue, statistical departments of the Government concerned have recently recognized the necessity for an “Economic Census” and have agreed to promote its implementation.

It is cited that active efforts should be made towards the implementation by 2009 of an Economic Census that will investigate accounting aspects of economic activities by enumerating all the establishments of all the economic sectors, in principle. Once this initiative is realized, it is certain that Japan’s statistics on service

industries will be obtained for very detailed breakdowns, for example, by industry and region.

Discussions will start this autumn regarding the implementation of this Economic Census. Whether or not, the 2004 framework of integrated data collection, in which the Survey on Service Industries and the other two censuses will be jointly conducted like a single data collection operation, will provide a good plot type. It would be realistic that based on the experiences gained in this operation, discussions should be held on the enlargement in terms of industries to cover, items to investigate, and so on.

Whether the ambition of the development of statistics on service industries, which the Survey on Service Industries has been pursuing these 15 years, is realized or not depends on the realization of this Economic Census, which will adopt the DNAs of the Survey.