

PROGRESS REPORT TO THE 19th VOORBERG GROUP
From Statistics Canada
Ottawa, 2004

1. Service Industry indexes

Main Achievements in recent years

Reliable producer price indexes are in place for the following Service Sector areas:

- Traveller accommodation
- Accounting services
- Engineering services
- Computer services
- Data processing
- Software publishing services
- Telecommunications.

Releases of new index in the Fall of 2004:

- Couriers
- For-hire trucking

Development is ongoing for the following price indices:

- Non-residential rents
- Television broadcasting
- Advertising
- Restaurants
- Education.

Issues and challenges facing the programme

As it was stated in the last report, one of the main issues/challenges we currently face is a lack of funding to develop and maintain an effective service prices programme. Staffing poses a related problem, as traditionally staff turnover has been high and it has proven difficult to find suitable people.

Priorities of the work programme for the future

An initiative to speed up the development and implementation PPI for services was launched in 2003-2004. Several separate but related activities were carried out including a literature review, historical research and the development of a costing model. These efforts are summarised in a written report. The report (or versions of the report) is intended to:

- Serve as the basis for a proposal that will eventually be presented to various stakeholder departments of the federal government to obtain funding and support.
- Highlight the activity to date of the PPI services program at STC. Included is an overview of the American experience in developing a PPI for services as a frame of reference for development in Canada.
- Identify the service categories being considered for development along with providing and discussing the costs associated with developing and producing a PPI for services and presenting a range of cost options.
- Seek the advice and opinions of price index specialists in the statistical offices of other countries who have embarked on a similar development program.

This report has been presented and discussed in three of STC's standing advisory committees, the Prices Measurement Advisory Committee, The National Accounts Advisory Committee and the Services Advisory Committee for feedback and discussion which to date has been very positive.

The biggest challenge is to obtain funding given the current situation of budget re-allocation.

2. Information Society Statistics

Main Achievements

- Household internet use Survey

The results of the 2002 survey of Household Internet Use were released on September 18, 2003. Work to redesign the survey from a household to an individual based survey is underway. Consultations regarding an individual based survey have been held with various stakeholders and content for a new questionnaire is currently being field tested. The survey will be run in its current household format for reference year 2003 and is scheduled to be converted into an individual based survey for reference year 2004.

- Survey of Electronic Commerce and Technology

The Survey of Electronic Commerce and Technology (SECT) is an annual economy wide enterprise level survey that has been run in its existing format since 1999. Results of the 2002 SECT were released on April 2nd, 2003. The questionnaire is currently being finalised and will be mailed at the end of October. Results of the 2003 SECT will be available in April 2004.

In September a comprehensive new study that incorporated data from five Statistics Canada surveys and Industry Canada's (the Department of Industry) Broadband for rural and northern development pilot program was released. The study details broadband use by household and industry, as well as the supply and availability of broadband technologies in Canada.

A compendium publication "*Mapping the way through Canada's information Society*" is nearing completion and will be published in the fall.

A draft framework for statistical measurement of the Information Society prepared by Statistics Canada was tabled at the April 2003 OECD WPIIS meeting. The document was discussed and well received.

Preparations to attend the December UN meeting on Monitoring the Information Society: Data Measurement and Method are underway.

Priorities of the work programme for the future

Survey of Innovation 2003 (selected services)

The survey of Innovation 2003 was mailed out at the end of September and is targeted at selected industries in the Information and Communications Technology services, Professional, Scientific and Technical Services, Natural Resource Support Services, and Transportation industries. The survey was designed in consultation with stakeholders and initial results will be published in March 2004.

3. Service Industry Statistics

Main Achievements

a. Service industry surveys

Annual service industry surveys were released in a much more timely fashion. Annual surveys are now released within 12-15 months after the reference period.

Further development was done on a central data warehouse and on the coherence of corporate statistics across industries.

In terms of infra-annual (current) surveys, redesigns are being undertaken for the food services and retail/wholesale monthly surveys. Besides efficiency, an objective is to make estimates more robust by modelling with a value added tax (Goods and Services Tax) data. Parallel with this work is research on using this administrative data source to create quarterly sales estimates for industries that are currently surveyed annually.

Development began on a Business Conditions Survey for Traveller Accommodation Industries, inspired by the existing Manufacturing Business Conditions Survey.

A strategic initiative to integrate some of the cultural activities in the business survey is underway. Surveys that focused on the cultural activities are now focusing on industrial activities (NAICS). The survey affected by this are :

- Performing arts
- Book publishers
- Heritage institutions
- Motion picture and video production and distribution
- Sound recording

Issues and Challenges

Response burden remains an issue. The increasing complexity of our data demands and the complex structure of many respondents makes data collection an increasing challenge. Anecdotal evidence suggests more respondent fatigue and less willingness to respond to our surveys. In an effort to minimize response burden, we must use

more administrative data, but we must also understand their concepts, definitions, processing constraints, and limitations.

Vision -- Work Plan Priorities

In a visioning exercise, Statistics Canada has identified the following priorities for business statistics:

- Respondent relations
- Replacement of survey data with tax data wherever possible
- Centralised data warehouse integrating micro data and industry estimates from all programs.
- Analysis
- Frame/classification
- Fill data gaps both in terms of industry coverage and activities
- Partnerships with suppliers and clients internal and external to Statistics Canada.

Future Topics

A number of topics should be at one point in time on the agenda of the Voorburg Group. Amongst these we can list the following issues:

- International trade in services
- Inter-firm trade or cooperation
- How to treat transfer prices
- How to treat prices in Education and Health services
- Best practices on collection, quality changes