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UK Corporate Services Price Index
Voorburg 2004

Mini presentation on Producer Price Indices

The Development of a price index for

COMPUTER SERVICES

in the United Kingdom

Tim Clode
UK Office for National Statistics

ZX Spectrum+3
128K
FDD
12/09/2004

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SUMMARY

- **latest in series of papers on computer services**
- **highlights need for continuous development**
- **indicates numerous difficulties encountered**
- **includes provisional results for 3 IT indices**
- **looks ahead to next steps**

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BACKGROUND

- **UK computer services CSPI work began in 1995**
- **experimental index first published in 1997**
- **withdrawn in 1999 due to insufficient quality**
- **redeveloped using SERVCOM pilot in 2000**
- **due to relaunch experimental index in 2005**

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RECENT PROGRESS

- **concentrated on less dynamic sectors**
- **focused on data collection & index construction**

- æ **maintenance & support of s/w systems/apps**
- ı **Information Technology services**
- ł **Facilities management/outsourcing**
  data processing services

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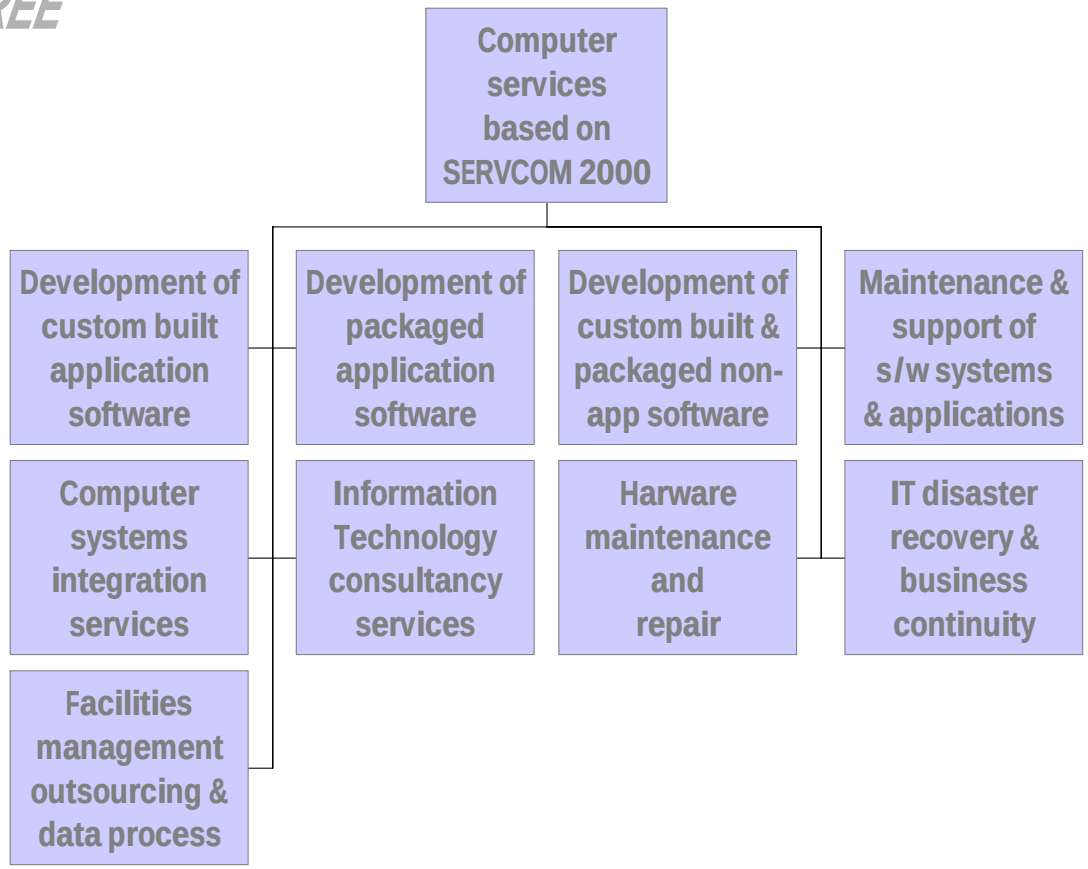
FAMILY TREE



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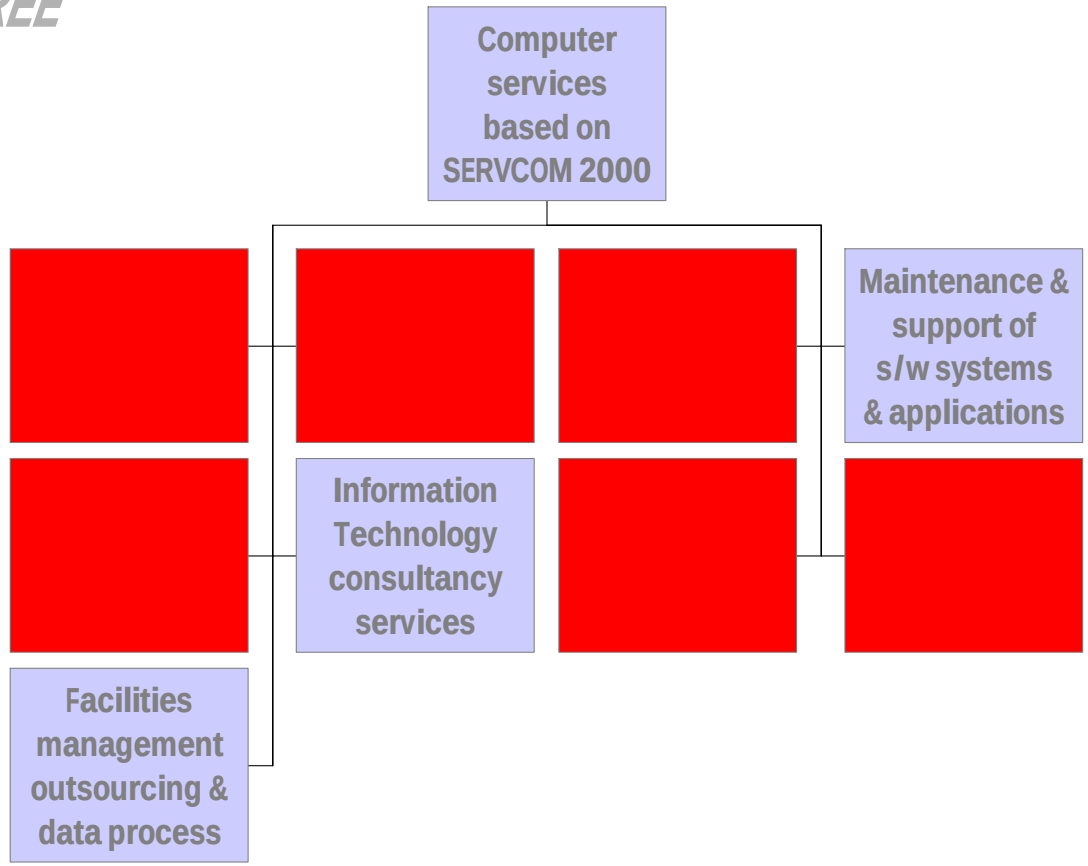

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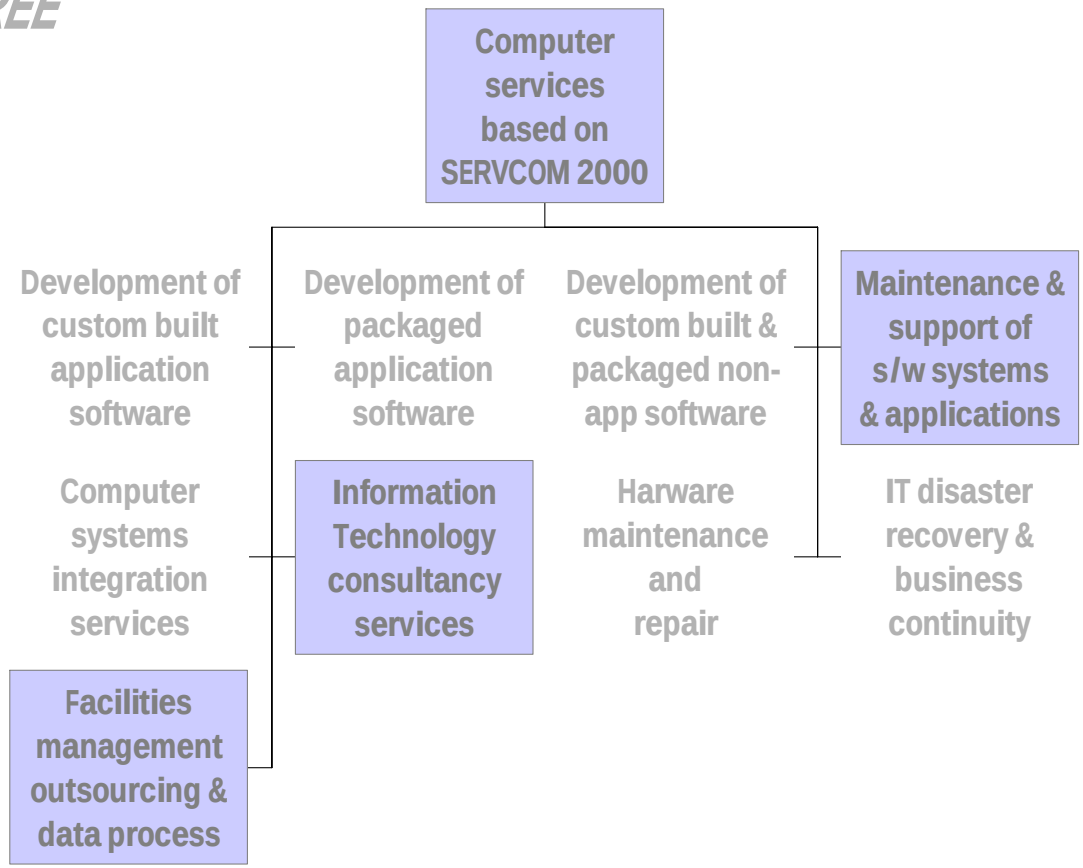

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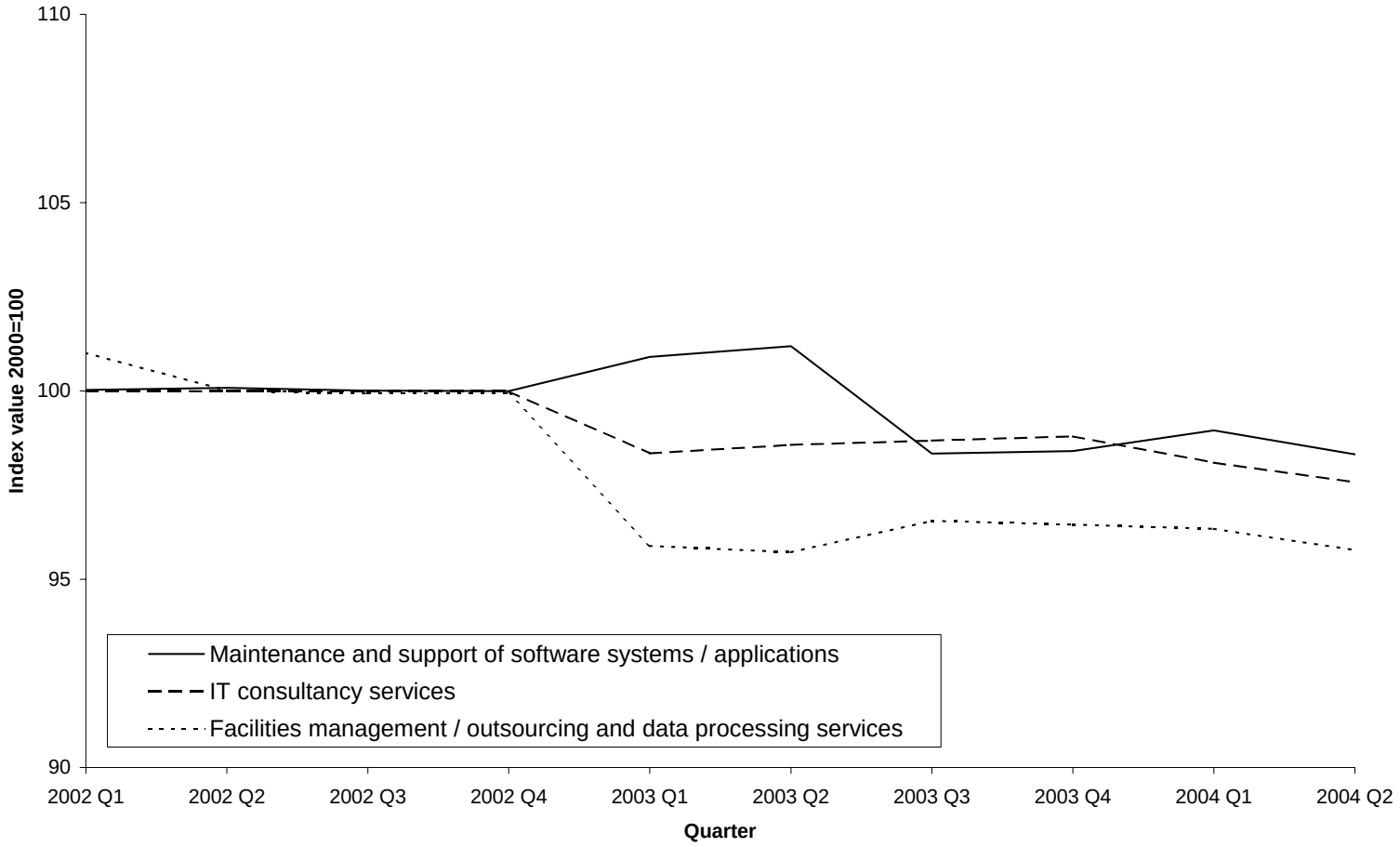
PROVISIONAL INDICES



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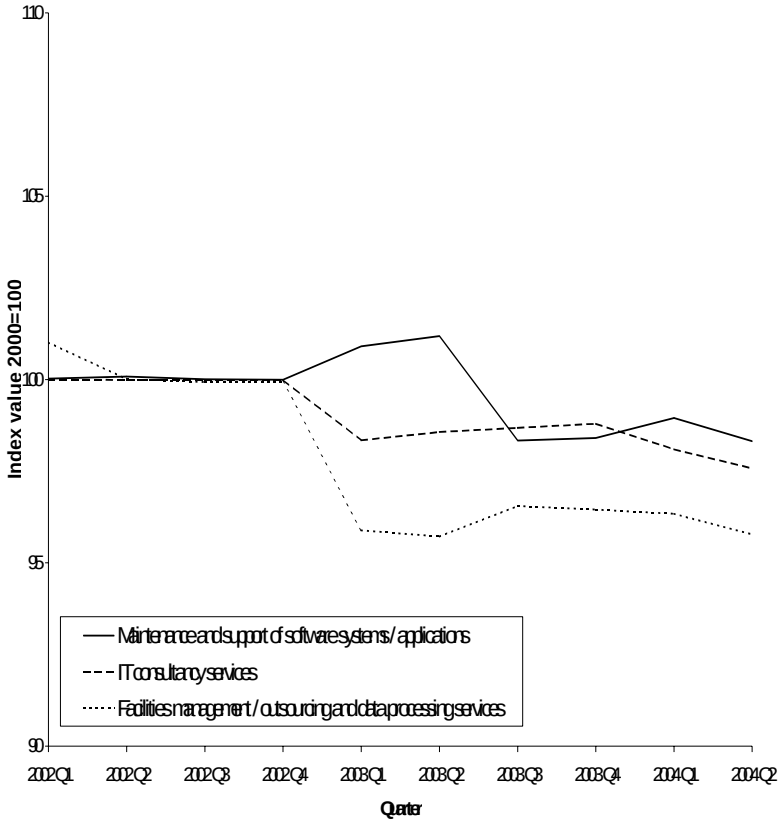
PROVISIONAL INDICES

- **sample improved in 2003 Q1 and simple backcasting applied**
- **drop in index for facilities management/ outsourcing and data processing services in 2003 Q1**
- **initial growth then fall in index for maintenance and support of software systems/applications peaking 2003 Q2**



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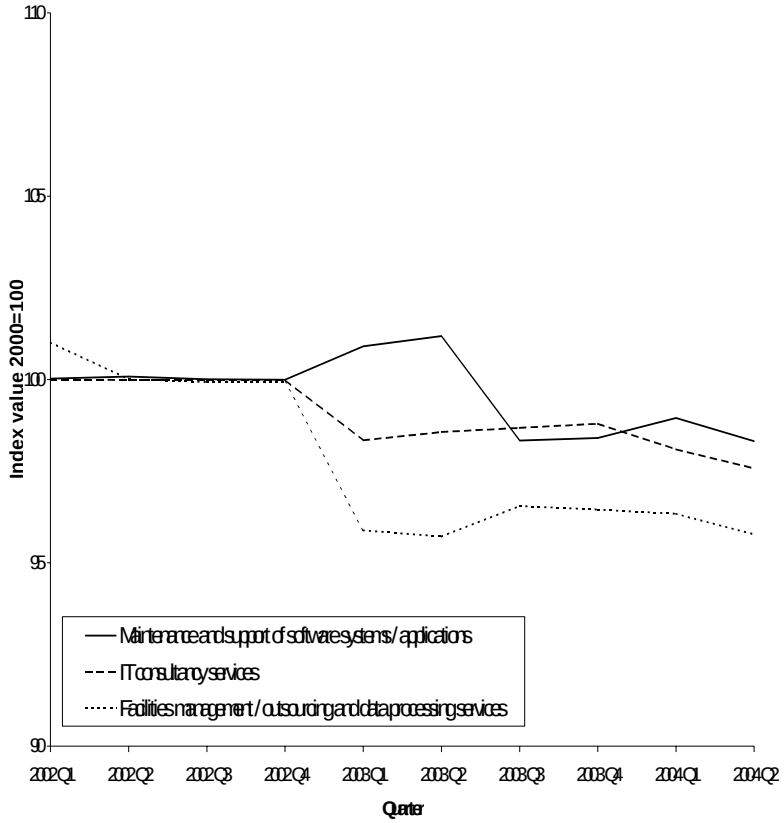
PROVISIONAL INDICES

- **Relatively stable slow decline in index for IT consultancy services**



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DIFFICULTIES

- **attrition due to dynamic nature of sector**
- **regular recruitment needed to maintain quality**
- **services alter quickly causing price discontinuity**
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NEXT STEPS

- **continued price data collection for 3 areas**
- **3 indices subject to further quality assessment**
- **decision whether 3 areas suitable for publication**
- **move focus onto remaining 6 areas**
- **boost quarterly data collection**
- **strive to produce complete publishable index**

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DELL