

Producer Price Index for Services

2012, 1st quarter

Producer prices for services went up by 2.6 per cent in January–March

According to Statistics Finland, producer prices for services went up by 2.6 per cent in the first quarter of 2012 from the corresponding quarter of the year before.

Producer price index for services 2010=100 (TOL 2008), Q1/2010–Q1/2012



The rise in producer prices for services was especially due to higher prices of goods transport by road compared to the year before. The rising of prices was also influenced by increases in the rents of construction machinery and equipment, computer programming and consultancy as well as engineering activities. The rise in prices was curbed most by decreases in the prices of telecommunications.

From fourth to first quarter producer prices for services went up by 1.6 per cent. This was mainly due to higher prices of goods transport by road.

Producer price index for services 2010=100 (TOL 2008), 1st quarter 2012

Industry	Point figure	Quarterly change,%	Yearly change,%
Total index (TOL 2008)	104.5	1.6	2.6
H Transportation and storage	106.9	1.8	3.8
I Accommodation and food service activities	107.7	2.5	3.4
J Information and communication	102.3	1.3	1.1
L Real estate activities	105.2	0.5	2.4
M Professional, scientific and technical activities	102.4	1.3	2.1
N Administrative and support service activities	107.4	3.0	4.6
P Education	102.5	0.5	0.5
Q Human health and social work activities	107.3	3.0	3.0
R Arts, entertainment and recreation	105.6	1.0	2.8
S Other service activities	104.9	1.5	3.4

Producer price indices for services describe the price development in business services provided by enterprises to other enterprises and the public sector. The total index currently covers 57 per cent of the market services.

Producer price indices for services have been revised

The Producer price indices for services have been revised and their base years changed to 2010. In connection with the revision, the weight structure of the index has been brought in line with the structure of service production. In addition, the service and enterprise samples have been updated.

The industries 491 Passenger rail transport, interurban, 56 Food and beverage service activities, 6831 Real estate agencies, 85 Education, 86 human health activities, 90 Creative, arts and entertainment activities, 93 Sports activities and amusement and recreation activities and 95 Repair of computers and personal and household goods were included to the index.

In the future indices will be published on the 24th day of the month following the statistical reference quarter, or on the first working day following it.

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Appendix table 1. Producer price index for services 2010=100 (TOL 2008), 1st quarter 2012

Industry	Point figure	Quarterly change,%	Yearly change,%
49 Land transport and transport via pipelines	110.8	3.1	5.7
4932 Taxi operation	104.9	0.0	3.2
4941 Freight transport by road	111.3	3.4	5.9
5020 Sea and coastal freight water transport	109.3	1.6	3.0
52 Warehousing and support activities for transportation	101.3	-0.9	0.3
5210 Warehousing and storage	101.9	0.3	2.0
5224 Cargo handling	100.9	-1.7	-0.8
53 Post and courier activities	101.0	0.2	2.5
5310 Postal activities under universal service obligation	99.6	0.0	2.0
5320 Other postal and courier activities	107.5	1.1	4.5
5510 Hotels	108.2	3.5	2.9
56 Food and beverage service activities	107.4	1.8	3.7
58 Publishing activities	103.3	1.1	2.3
61 Telecommunications	90.5	-1.0	-4.7
62 Computer programming, consultancy and related activities	105.4	1.8	2.1
63 Information service activities	102.9	2.1	2.3
6820 Rents of office and business premises	105.5	0.6	2.7
6820A Rents of office premises	103.8	0.6	2.9
6820B Rents of business premises	106.7	0.6	2.5
69 Legal and accounting activities	106.3	1.5	3.0
6910 Legal services	105.7	1.3	2.2
6920 Accounting, book-keeping and auditing activities; tax consultancy	106.8	1.7	3.5
702 Management consultancy activities	100.9	1.0	1.2
711 Architectural and engineering activities and related technical consultancy	102.9	1.8	2.7
712 Technical testing and analysis	101.5	0.5	1.6
73 Advertising and market research	101.7	1.0	1.8
731 Advertising	101.5	0.9	1.7
732 Market research and public opinion polling	105.1	4.4	4.4
7732 Renting of construction and civil engineering machinery and equipment	111.2	5.7	7.9
7820 Temporary employment agency activities	103.6	0.3	2.6
8010 Private security activities	106.2	2.7	3.4
81 Services to buildings and landscape activities	106.8	2.5	3.1
811 Combined facilities support activities	107.1	2.9	4.1
812 Cleaning activities	106.4	2.1	2.1
85 Education	102.5	0.5	0.5
86 Human health activities	107.3	3.0	3.0
90 Creative, arts and entertainment activities	106.3	0.3	2.2
93 Sports activities and amusement and recreation activities	105.1	1.5	3.3
95 Repair of computers and personal and household goods	105.6	0.9	4.3
96011 Washing and (dry-)cleaning of textile and fur products for enterprises	104.0	2.2	2.2
H Transportation and storage	106.9	1.8	3.8
I Accommodation and food service activities	107.7	2.5	3.4
J Information and communication	102.3	1.3	1.1

Industry	Point figure	Quarterly change,%	Yearly change,%
L Real estate activities	105.2	0.5	2.4
M Professional, scientific and technical activities	102.4	1.3	2.1
N Administrative and support service activities	107.4	3.0	4.6
P Education	102.5	0.5	0.5
Q Human health and social work activities	107.3	3.0	3.0
R Arts, entertainment and recreation	105.6	1.0	2.8
S Other service activities	104.9	1.5	3.4
Total index (TOL 2008)	104.5	1.6	2.6

Appendix table 2. Producer price index for services 2005=100 (TOL 2008), 1st quarter 2012

Industry	Point figure	Quarterly change,%	Yearly change,%
49 Land transport and transport via pipelines	133.7	3.1	5.8
4932 Taxi operation	129.4	0.0	3.2
4941 Freight transport by road	134.0	3.4	6.0
5020 Sea and coastal freight water transport	119.3	1.6	5.0
52 Warehousing and support activities for transportation	110.6	-0.9	-0.1
5210 Warehousing and storage	113.3	0.3	1.4
5224 Cargo handling	108.9	-1.7	-1.0
53 Post and courier activities	120.5	0.2	2.4
5310 Postal activities under universal service obligation	119.3	0.0	2.0
5320 Other postal and courier activities	125.4	1.1	4.4
5510 Hotels	112.1	3.5	2.9
58 Publishing activities	115.8	1.1	2.7
61 Telecommunications	78.7	-1.0	-2.9
62 Computer programming, consultancy and related activities	115.8	1.8	2.3
63 Information service activities	109.4	2.1	2.1
6820 Rents of office and business premises	120.1	0.6	2.9
6820A Rents of office premises	115.5	0.6	3.3
6820B Rents of business premises	125.1	0.6	2.5
69 Legal and accounting activities	134.0	1.5	3.9
6910 Legal services	123.5	1.3	1.9
6920 Accounting, book-keeping and auditing activities; tax consultancy	140.1	1.7	4.9
702 Management consultancy activities	130.5	0.9	1.1
711 Architectural and engineering activities and related technical consultancy	124.3	1.8	2.2
712 Technical testing and analysis	135.6	0.5	1.3
73 Advertising and market research	114.2	1.0	2.2
731 Advertising	114.0	0.9	2.1
732 Market research and public opinion polling	116.9	4.4	4.4
7732 Renting of construction and civil engineering machinery and equipment	119.5	5.7	8.6
7820 Temporary employment agency activities	121.8	0.3	2.2
8010 Private security activities	135.2	2.7	3.5
81 Services to buildings and landscape activities	123.7	2.5	2.7
811 Combined facilities support activities	127.6	2.9	3.4
812 Cleaning activities	118.2	2.1	2.0
96011 Washing and (dry-)cleaning of textile and fur products for enterprises	104.4	2.2	2.4
H Transportation and storage	124.9	1.8	3.9
I Accommodation and food service activities	110.9	2.5	1.9
J Information and communication	102.5	1.3	1.2
L Real estate activities	120.0	0.5	2.9
M Professional, scientific and technical activities	125.4	1.3	2.1
N Administrative and support service activities	123.2	3.0	4.2
S Other service activities	103.7	1.5	1.7
Total index (TOL 2008)	119.0	1.6	2.7

Quality Description of Producer Price Index for Services

1. Relevance of statistical information

1.1 A summary of the information content and purpose of use of the statistics

Producer price index for services describes the price development in business services provided by enterprises to other enterprises and the public sector. The index describes the relative change in prices compared to a certain base period.

The Producer price index for services is compiled on product basis. The index describes development in the prices of certain types of services irrespective of the main industry of the producing enterprise. If a service enterprise also produces goods, its goods production is excluded from the scope of the Producer price index for services. On the other hand, an enterprise that mainly produces industrial goods may also produce services in which case its services production is included in scope of the description of the Producer price index for services.

One of the key purposes of the Producer price index of services is to function as a deflator in national accounts calculations. With it the value of production or sales is converted to volume of production. Enterprises can use the data of the producer price index of services when comparing the price development of their purchases or sales with the average development of the industry.

1.2 Information source and classifications used

1.2.1 Information source

As a rule, price data for the Producer price indices of services are collected from enterprises quarterly. Besides the data collected from enterprises, price data or point figures from Statistics Finland's other statistics are also exploited in the compilation of the producer price indices of services.

1.2.2 Classifications

The industrial classification used in the compilation is the Finnish Standard Industrial Classification TOL 2008, which has been confirmed by Statistics Finland and is based on NACE Rev. 2., the industrial classification of the European Union. As far as appropriate, the services of specific industries are classified into main groups according to the CPA product classification, which is the European Union's classification of goods and services by activity. Where necessary, detailed product classifications are used within the individual service product categories of the CPA.

1.3 Laws and regulations

The production of the statistics is based on the Statistics Act (280/2004) and on a Council Regulation (EC) concerning short-term statistics (No 1165/1998 and No 1158/2005). Only the data necessary for the calculation of the index but not available from another source are collected from data suppliers. Confidentiality is taken into account when releasing the data; it is not possible to identify from the results information or development concerning an individual enterprise.

2. Methodological description of survey

2.1. Compilation of the index

Statistics Finland's Business Register is used as the sampling frame for the Producer price indices for services. In addition, Business Services Statistics is used in some cases. The Business Register contains data on the industry and turnover of enterprises. The Business Services Statistics describe the structure of turnover and services produced in certain branches of industry providing business services. The indices have been developed independently for individual service industries, which is why the used sampling method varies by industry. Depending on the industry, the data suppliers have been selected either by PPS (Probability Proportional to Size) sampling, judicious sampling or by combining judicious sampling and probability-based sampling. The services for the price monitoring have been selected in co-operation with service enterprises.

The Laspeyres price index formula is used in calculating the index. Geometric averages of price ratios calculated from the prices of individual service products are combined into indices for the main product groups of an enterprise, and then weighted into its overall index using a specific coefficient for each main group. The weighting coefficients are based on enterprises' turnover and its distribution between the main groups of the enterprise. The turnover figures used in the weighting are either obtained from the data reported by the enterprises themselves or from Statistics Finland's Business Register, and figures should represent only the turnover that stems from a certain industry.

The overall index is calculated by means of industry indices. The weights between different industries are based on national accounts data on the use of enterprises' and the public sector's services. The weight structure corresponds to the values of 2010.

Further information about compiling the producer price indices for services is available in the Methodological descriptions of the statistic.

2.2. Development and publication of new indices

Statistics Finland will enlarge the coverage of total index by developing indices for new services industries. Publication of new indices can commence once data concerning an industry have been collected from an adequately large number of enterprises for at least twelve months and once it has been verified that index figures depicting average price development in the industry can be sufficiently reliably calculated from the prices provided by the data suppliers.

The development of Producer price index for services was started in 2000, and indices for new service industries are being devised continuously. In connection with the 2010=100 renewal, industries Passenger rail transport, interur-ban (TOL 2008: 491), Food and beverage service activities (TOL 2008: 56), Real estate agencies (TOL 2008: 6831), Education (TOL 2008: 85), Human health activities (TOL 2008: 86), Creative, arts and entertainment activities (TOL 2008: 90), Sports activities and amusement and recreation activities (TOL 2008: 93) and Repair of computers and personal and household goods (TOL 2008: 95) were included to the index.

The total index currently covers about 60 per cent of the market services. The service industries excluded from the overall index are wholesale and retail trade activities and financial and insurance activities.

3. *Correctness and accuracy of data*

The Producer price index for services is calculated on the basis of over 17,500 prices collected from approximately 360 data suppliers. The number of prices and data suppliers varies by industry. Roughly 15,000 of price data concern the rents of office and business premises. The Producer price index for services describes the relative change in prices compared to a certain base period.

4. *Timeliness and promptness of published data*

Indices are published on the 24th day or the weekday following it of the month following the end of the statistical reference quarter.

Depending on the industry, the time of collecting price data from enterprises may be the first, second or third month of the quarter under review. In some cases real charged unit prices are collected for the whole quarter under review.

5. *Accessibility and transparency/clarity of data*

Producer price indices for services is a quarterly statistics. Indices are published on the 24th day or the weekday following it of the month following the end of the statistical reference quarter at 9 a.m.

6. Comparability of statistics

The time series of the overall index of Producer prices for services starts from the year 2005. The length of the industry-specific time series varies depending on when the production of the industry index started.

7. Coherence and consistency/uniformity

Documentation on the Producer price index for services is available on the home page of the statistics and the Statistic Finland Unit which produces the statistics. (e-mail phti.tilastokeskus@stat.fi, tel. +358 9 1734 1 / Producer price index for services).

Producer price indices for services describe the price development in business services provided by enterprises to other enterprises and the public sector. Consumer services are thus excluded from the Producer price index for services. The development of consumer service prices is described with the Consumer price index. Information about other price and cost indices is available on the homepage of indices at http://www.tilastokeskus.fi/til/hin_en.html.

Suomen virallinen tilasto
Finlands officiella statistik
Official Statistics of Finland

Prices and Costs 2012

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Source: Producer Price Index for Services 2012, 1st quarter. Statistics Finland