

Standard-documentation Meta information

(Definitions, comments, methods, quality)

on

Output Price Index for Business Services

This documentation is valid from the reference period:

2007

Status: **29.01.2019**



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Executive Summary

Output Price Indices for Business Services (a.k.a. Services Producer Prices Index, SPPI) are, contrary to e.g. the Consumer Price Index (CPI), relatively new products of Statistics Austria that were partially published for the first time in 2007. They measure the average quarterly price development of resident producers providing business to business (b2b) services. The nature of the service industry poses significant challenges during the development phase and for ongoing index production. SPPIs cover service branches which differ significantly amongst each other and survey services that, contrary to fundamental requirements of price statistics, do not remain constant over time or are of unique character (architectural projects, legal services).

The concept of the SPPI focuses on the measurement of the average price trends of services produced by resident enterprises in the particular activity (ÖNACE category). In principle, it comprises the total domestic output of services provided on the market in ÖNACE Sections G-N and P-S. But apart from Group 50.1 and 50.2 "Sea and coastal water transport - passenger and freight" only SPPI activities mentioned in [Council Regulation \(EC\) No. 1165/98](#) and the amending [Council Regulation \(EC\) No. 1158/2005](#) concerning short-term statistics are covered (ÖNACE H – N). For the time being, contrary to the Industrial Output Price Index, only single service branch indices are calculated and no overall SPPI is computed.

The index calculation is based on quarterly collected producer prices provided by approximately 1830 responding enterprises and on service branch turnover data for weighting purposes.

Micro-weights (service products on ÖCPA 6-digit level and below) are collected per branch and/or per enterprise (e.g. average turnover relevance of a service product per branch or enterprise). Macro-weights (aggregates on ÖNACE 4-digit level and above) are based on turnover data of Structural Business Statistics.

The sample structure depends on the characteristics of the respective branch. Some branches feature highly concentrated monopoly/oligopoly market structures (air transport, postal services) while in other fragmented branches small and medium enterprises predominate. Usually, observation units and service products within the service branch or the enterprise are selected by using a cut-off sample with full enumeration above the cut-off in order to cover the most representative enterprises and services or by selection of enterprises with turnover above a certain threshold value. Additionally, in less concentrated branches, a sample of small and middle sized enterprises is drawn by simple random sampling in order to represent not only the price development of market leaders

The export of services is included, whereas imported services are out of scope.

Even though the pricing concept is identical across the services branches, different pricing methods have to be applied due to the heterogeneity of the service branches.

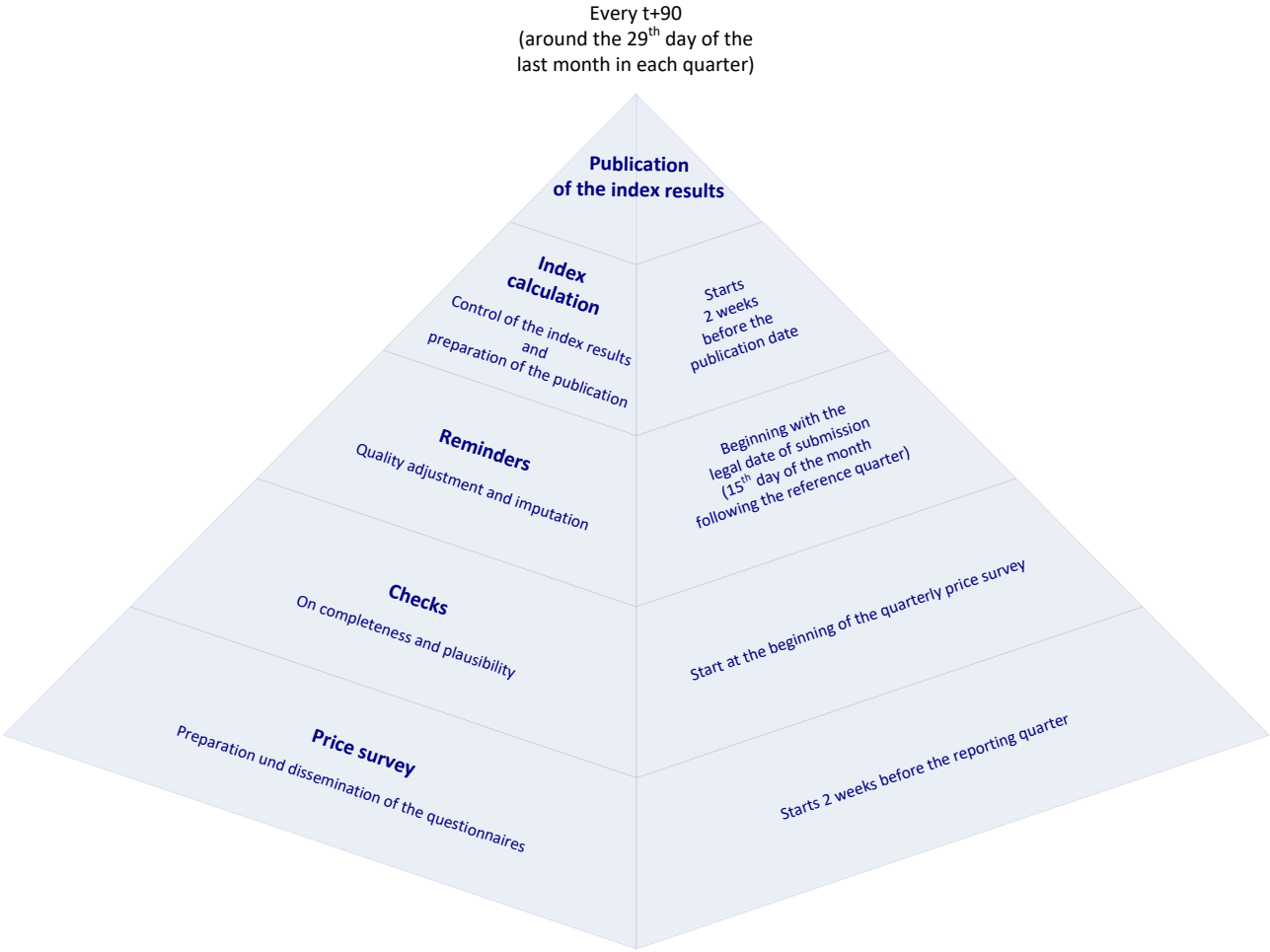
Incoming data are checked regarding completeness, consistency and changes of each record. For each identified service product category several service products have been selected and a price relative is compiled. Within the most detailed sub-categories unweighted averages (geometric mean) of price relatives are calculated for all individual service products across all sampled respondents. These elementary aggregates are then aggregated stepwise using weights (turnover data) from the Structural Business Survey in order to achieve an average SPPI per service branch.

The price indices are calculated according to the Laspeyres formula as a fixed-base index with a weighting scheme that is constant over five years. The resulting branch indices on ÖNACE 2-, 3-, and 4-digit level measure the average price level as a percentage of the price level in the respective base year.

Conjointly with service branch representatives and organizations, very detailed descriptions of service products have been developed in order to assure that the respondents are able to re-price the identical service products over time. Due to the fact that enterprises for the survey are chosen by cut-off sampling and random sampling as an additional practice for some service sectors, the SPPI satisfies the principle of accuracy as it reflects a representative picture of the development of services producer prices within a certain economic activity. Some minor quality reductions occur due to the absence of weighting information for aggregation purposes and the resulting use of a geometric mean.

Price index data are published at the end of each quarter according to a national release calendar. The preliminary data of the current reference period (t+90) and the final data of the previous period (t+180) are published on the website of Statistics Austria and sent to Eurostat on the day of the national release.

The following picture illustrates the timetable of the production process for SPPIs in Austria:



Output Price Index for Business Services - Main Features

Subject Matter	Measurement of the average quarterly and yearly price development of business to business services in selected service branches.
Population	Transactions of resident enterprises regarding business to business services for all SPPI activities mentioned in the national Regulation concerning the compilation of price indices in the enterprise sphere (Federal Law GAZETTE II No. 147/2007 in its current version).
Type of statistics	Price Index
Data sources/Survey techniques	Price data: Quarterly survey with approximately 1.830 enterprises responding Weights: Weights are based on turnover data per service product, Structural Business Statistics turnover data and turnover information provided by service branch organizations and enterprises.
Reference period or due day	Price data refer to the 15th day of the second month of each quarter.
Periodicity	Quarterly (annual average)
Survey participation (in case of a survey)	Mandatory
Main legal acts	<ul style="list-style-type: none"> — The national Regulation concerning the compilation of price indices in the enterprise sphere (Federal Law GAZETTE II No. 147/2007) in its current version. — The specific European law referring to the services producer prices index is the Council Regulation (EC) No. 1158/2005 concerning short-term statistics in its current version.
Most detailed regional breakdown	Austria
Availability of results	Preliminary data: t + 90 Final data: t + 180
Other	An overall service price index, like in other price statistics, is currently not available due to the fact that not all existing service branches are covered at the moment.