

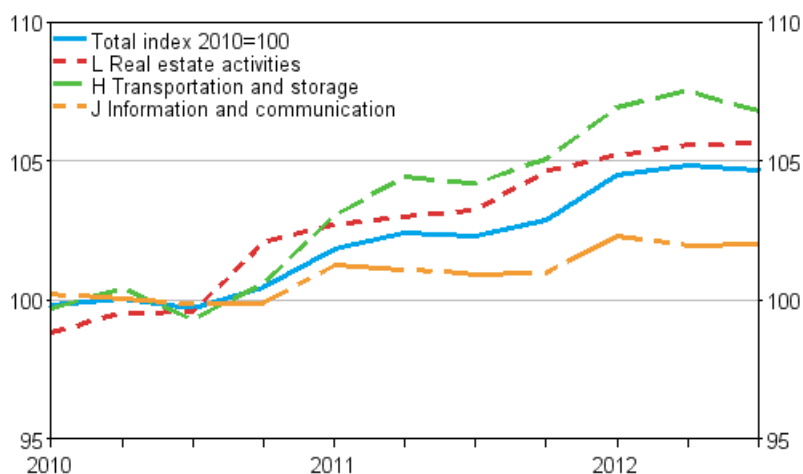
# Producer Price Index for Services

2012, 3rd quarter

## Producer prices for services went up by 2.3 per cent in July-September

According to Statistics Finland, producer prices for services went up by 2.3 per cent in the third quarter of 2012 from the corresponding quarter of the year before.

**Producer price index for services 2010=100 (TOL 2008), Q1/2010–Q3/2012**



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 second to third quarter producer prices for services went down by 0.2 per cent.

**Producer price index for services 2010=100 (TOL 2008), 3rd quarter 2012**

Industry	Point figure	Quarterly change,%	Yearly change,%
Total index (TOL 2008)	104.7	-0.2	2.3
H Transportation and storage	106.8	-0.7	2.5
I Accommodation and food service activities	106.3	0.0	3.9
J Information and communication	102.0	0.0	1.0
L Real estate activities	105.7	0.1	2.3
M Professional, scientific and technical activities	102.7	-0.1	2.0
N Administrative and support service activities	108.9	-0.1	4.6
P Education	103.7	1.2	1.7
Q Human health and social work activities	107.5	0.2	3.2
R Arts, entertainment and recreation	106.3	0.6	3.2
S Other service activities	105.4	0.2	3.1

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.

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**Appendix table 1. Producer price index for services 2010=100 (TOL 2008), 3rd quarter 2012**

Industry	Point figure	Quarterly change,%	Yearly change,%
49 Land transport and transport via pipelines	111.4	0.0	4.8
4932 Taxi operation	108.4	3.4	3.4
4941 Freight transport by road	111.7	-0.3	4.9
5020 Sea and coastal freight water transport	105.0	-3.8	1.1
52 Warehousing and support activities for transportation	102.1	-0.3	0.0
5210 Warehousing and storage	102.1	0.1	0.5
5224 Cargo handling	102.1	-0.6	-0.3
53 Post and courier activities	105.1	4.1	4.4
5310 Postal activities under universal service obligation	104.7	5.1	5.1
5320 Other postal and courier activities	107.3	-0.2	1.2
5510 Hotels	101.5	-1.2	4.3
56 Food and beverage service activities	109.6	0.8	3.7
58 Publishing activities	104.6	0.6	2.9
61 Telecommunications	86.9	-1.0	-6.3
62 Computer programming, consultancy and related activities	105.8	0.4	2.4
63 Information service activities	103.0	0.0	2.0
6820 Rents of office and business premises	105.8	0.1	2.3
6820A Rents of office premises	104.2	0.1	2.7
6820B Rents of business premises	107.0	0.1	2.1
69 Legal and accounting activities	107.1	0.1	2.7
6910 Legal services	106.4	0.4	2.4
6920 Accounting, book-keeping and auditing activities; tax consultancy	107.6	-0.1	2.9
702 Management consultancy activities	101.5	0.4	1.6
711 Architectural and engineering activities and related technical consultancy	103.1	-0.2	2.3
712 Technical testing and analysis	102.8	0.1	2.4
73 Advertising and market research	101.0	-1.3	1.3
731 Advertising	100.8	-1.3	1.1
732 Market research and public opinion polling	105.1	0.0	4.4
7732 Renting of construction and civil engineering machinery and equipment	114.1	-0.1	9.0
7820 Temporary employment agency activities	104.7	-0.6	1.1
8010 Private security activities	107.3	1.0	3.8
81 Services to buildings and landscape activities	107.5	0.1	3.1
811 Combined facilities support activities	108.2	0.2	3.9
812 Cleaning activities	106.8	0.0	2.3
85 Education	103.7	1.2	1.7
86 Human health activities	107.5	0.2	3.2
90 Creative, arts and entertainment activities	106.6	0.7	3.8
93 Sports activities and amusement and recreation activities	106.1	0.5	2.7
95 Repair of computers and personal and household goods	107.0	0.9	3.8
96011 Washing and (dry-)cleaning of textile and fur products for enterprises	103.2	-0.8	2.2
H Transportation and storage	106.8	-0.7	2.5
I Accommodation and food service activities	106.3	0.0	3.9
J Information and communication	102.0	0.0	1.0

Industry	Point figure	Quarterly change,%	Yearly change,%
L Real estate activities	105.7	0.1	2.3
M Professional, scientific and technical activities	102.7	-0.1	2.0
N Administrative and support service activities	108.9	-0.1	4.6
P Education	103.7	1.2	1.7
Q Human health and social work activities	107.5	0.2	3.2
R Arts, entertainment and recreation	106.3	0.6	3.2
S Other service activities	105.4	0.2	3.1
Total index (TOL 2008)	104.7	-0.2	2.3

**Appendix table 2. Producer price index for services 2005=100 (TOL 2008), 3rd quarter 2012**

Industry	Point figure	Quarterly change,%	Yearly change,%
49 Land transport and transport via pipelines	134.5	0.0	4.7
4932 Taxi operation	133.8	3.4	3.4
4941 Freight transport by road	134.5	-0.3	4.8
5020 Sea and coastal freight water transport	114.7	-3.8	-0.1
52 Warehousing and support activities for transportation	111.5	-0.3	0.0
5210 Warehousing and storage	113.6	0.1	0.5
5224 Cargo handling	110.2	-0.6	-0.3
53 Post and courier activities	125.5	4.1	4.4
5310 Postal activities under universal service obligation	125.4	5.1	5.1
5320 Other postal and courier activities	125.1	-0.2	1.0
5510 Hotels	105.2	-1.2	4.3
58 Publishing activities	117.3	0.6	3.2
61 Telecommunications	75.6	-1.0	-5.5
62 Computer programming, consultancy and related activities	116.2	0.4	2.6
63 Information service activities	109.4	0.0	2.0
6820 Rents of office and business premises	120.5	0.0	3.2
6820A Rents of office premises	116.0	0.1	3.8
6820B Rents of business premises	125.5	0.1	2.6
69 Legal and accounting activities	135.0	0.1	2.7
6910 Legal services	124.3	0.4	2.3
6920 Accounting, book-keeping and auditing activities; tax consultancy	141.2	-0.1	3.0
702 Management consultancy activities	131.2	0.4	1.5
711 Architectural and engineering activities and related technical consultancy	124.5	-0.2	2.1
712 Technical testing and analysis	137.3	0.1	2.2
73 Advertising and market research	113.5	-1.3	1.5
731 Advertising	113.3	-1.3	1.3
732 Market research and public opinion polling	116.9	0.0	4.4
7732 Renting of construction and civil engineering machinery and equipment	122.7	-0.1	9.1
7820 Temporary employment agency activities	123.1	-0.6	1.2
8010 Private security activities	136.6	1.0	3.7
81 Services to buildings and landscape activities	124.6	0.1	3.1
811 Combined facilities support activities	128.9	0.2	3.9
812 Cleaning activities	118.6	0.0	2.3
96011 Washing and (dry-)cleaning of textile and fur products for enterprises	103.6	-0.8	2.0
H Transportation and storage	124.7	-0.7	2.4
I Accommodation and food service activities	109.5	0.0	8.6
J Information and communication	102.2	0.0	1.1
L Real estate activities	120.6	0.1	3.3
M Professional, scientific and technical activities	125.7	-0.2	1.9
N Administrative and support service activities	125.0	-0.1	4.6
S Other service activities	104.1	0.2	2.5
Total index (TOL 2008)	119.2	-0.2	2.6

# *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](mailto: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](http://www.tilastokeskus.fi/til/hin_en.html).

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Source: Producer Price Index for Services 2012, 3rd quarter. Statistics Finland