

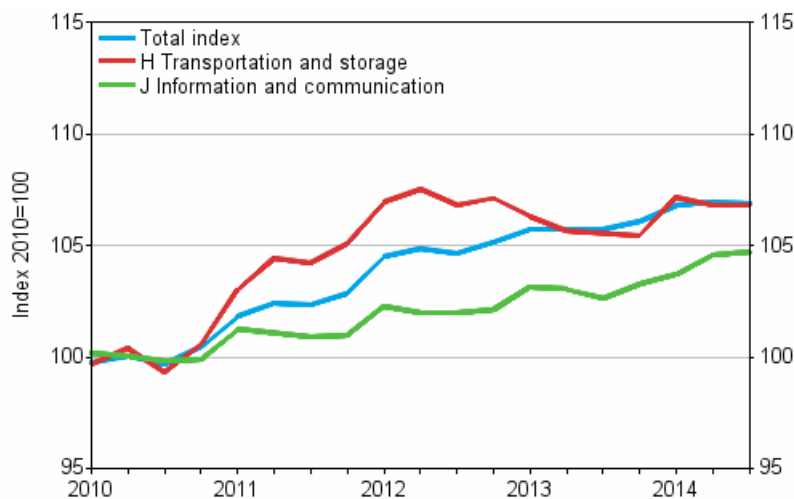
# Producer Price Indices for Services

2014, 3rd quarter

## Producer prices for services grew by 1.1 per cent year-on-year in July to September

According to Statistics Finland, producer prices for services went up by 1.1 per cent in the third quarter of 2014 from the corresponding quarter of the year before.

**Producer Price Indices for Services 2010=100, I/2010–III/2014**



Producer prices for services were pushed up particularly by higher prices of software and related services and postal activities under universal service obligation during the year. The increase in the total index was also affected by higher rents of office and business premises and increased prices of real estate management services. The rise was held back by, among other things, lower prices of management consulting services, cargo handling and advertising services.

From second to third quarter producer prices for services remained on average unchanged.

### Producer Price Indices for Services 2010=100, 3rd quarter 2014

Industry	Point figure	Quarterly change,%	Yearly change,%
TOTAL INDEX	106.9	0.0	1.1
H Transportation and storage	106.8	0.0	1.2
I Accommodation and food service activities	109.5	-1.2	1.8
J Information and communication	104.7	0.1	2.1
L Real estate activities	110.1	0.1	1.2
M Professional, scientific and technical activities	103.8	-0.4	-0.2
N Administrative and support service activities	113.8	0.4	1.5
P Education	113.1	1.3	6.2
Q Human health and social work activities	113.3	0.0	2.5
R Arts, entertainment and recreation	113.8	-0.3	3.8
S Other service activities	111.1	-0.4	1.8

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.

#### **New index series are published in connection with the Producer Price Index for Services**

From the third quarter of 2014 onwards, new index series that depict the price development of services offered to all end users will be published in connection with the Producer Price Index for Services. New BtoAll index series are published for the following industries:

- H 50 Water transport
- H 53 Post and courier activities
- J 61 Telecommunications

The publication of BtoAll indices is part of a larger revision of the Producer Price Index for Services, in connection with which the description of the index will be expanded. In addition to the price development of the Business to Business (BtoB) services and services enterprises produce for the public sector currently included in the index, in future it will also describe the price development of Business to Consumers (BtoC) and Business to All (BtoAll) services. In connection with the next base year revision (2015=100) of the Producer Price Index for Services, BtoAll series will also be added to other industries.

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**Appendix table 1. Producer Price Indices for Services 2010=100, 3rd quarter 2014**

Industry (TOL 2008)	Index figure	Quarterly change,%	Yearly change,%
TOTAL INDEX	106.9	0.0	1.1
H Transportation and storage	106.8	0.0	1.2
49 Land transport and transport via pipelines	111.6	-0.1	0.2
4932 Taxi operation	112.2	1.5	1.5
4941 Freight transport by road	111.6	-0.3	0.1
5020 Sea and coastal freight water transport	101.1	-0.5	0.0
52 Warehousing and support activities for transportation	101.6	-0.1	-0.4
5210 Warehousing and storage	103.2	0.3	1.0
5224 Cargo handling	100.6	-0.4	-1.4
53 Post and courier activities	120.7	0.0	9.8
5310 Postal activities under universal service obligation	122.6	0.0	11.5
5320 Other postal and courier activities	111.1	0.2	1.1
I Accommodation and food service activities	109.5	-1.2	1.8
5510 Hotels	99.5	-3.9	0.8
56 Food and beverage service activities	116.3	0.4	2.5
J Information and communication	104.7	0.1	2.1
58 Publishing activities	108.7	0.4	2.0
61 Telecommunications	83.9	-0.7	1.4
62 Computer programming, consultancy and related activities	110.1	0.5	2.4
63 Information service activities	104.8	0.0	0.9
L Real estate activities	110.1	0.1	1.2
6820 Rents of office and business premises	110.6	0.1	1.3
6820A Rents of office premises	109.3	0.1	1.9
6820B Rents of business premises	111.6	0.1	0.9
M Professional, scientific and technical activities	103.8	-0.4	-0.2
69 Legal and accounting activities	110.2	-0.1	1.7
6910 Legal services	107.8	0.0	1.3
6920 Accounting, bookkeeping and auditing activities; tax consultancy	112.0	-0.2	1.9
702 Management consultancy activities	101.6	-0.3	-1.8
711 Architectural and engineering activities and related technical consultancy	104.8	-0.4	0.2
712 Technical testing and analysis	102.2	1.6	1.1
73 Advertising and market research	101.7	-1.1	0.0
731 Advertising	101.4	-1.1	0.0
732 Market research and public opinion polling	106.6	0.5	-0.9
N Administrative and support service activities	113.8	0.4	1.5
7732 Renting of construction and civil engineering machinery and equipment	118.4	0.6	0.8
7820 Temporary employment agency activities	108.2	0.4	1.5
8010 Private security activities	116.3	0.4	4.1
81 Services to buildings and landscape activities	113.1	0.2	1.8
811 Combined facilities support activities	114.6	0.2	2.5
812 Cleaning activities	111.6	0.3	1.0
P Education	113.1	1.3	6.2
85 Education	113.1	1.3	6.2

Industry (TOL 2008)	Index figure	Quarterly change,%	Yearly change,%
Q Human health and social work activities	113.3	0.0	2.5
86 Human health activities	113.3	0.0	2.5
R Arts, entertainment and recreation	113.8	-0.3	3.8
90 Creative, arts and entertainment activities	117.1	-0.6	5.1
93 Sports activities and amusement and recreation activities	111.3	0.0	2.7
S Other service activities	111.1	-0.4	1.8
95 Repair of computers and personal and household goods	112.9	0.6	2.3
9601 Washing and (dry-)cleaning of textile and fur products for enterprises	108.6	-1.7	1.0

**Appendix table 2. Producer Price Indices for Services 2005=100, 3rd quarter 2014**

Industry (TOL 2008)	Index figure	Quarterly change,%	Yearly change,%
TOTAL INDEX	121.7	0.0	1.1
H Transportation and storage	124.8	0.0	1.2
49 Land transport and transport via pipelines	134.7	-0.1	0.2
4932 Taxi operation	138.4	1.5	1.5
4941 Freight transport by road	134.4	-0.3	0.1
5020 Sea and coastal freight water transport	110.5	-0.5	0.0
52 Warehousing and support activities for transportation	111.0	-0.1	-0.4
5210 Warehousing and storage	114.7	0.3	1.0
5224 Cargo handling	108.6	-0.4	-1.4
53 Post and courier activities	144.0	0.0	9.8
5310 Postal activities under universal service obligation	146.9	0.0	11.5
5320 Other postal and courier activities	129.6	0.2	1.1
I Accommodation and food service activities	112.8	-1.2	1.8
5510 Hotels	103.1	-3.9	0.8
J Information and communication	105.0	0.1	2.1
58 Publishing activities	121.8	0.4	2.0
61 Telecommunications	73.0	-0.7	1.4
62 Computer programming, consultancy and related activities	121.0	0.5	2.4
63 Information service activities	111.3	0.0	0.9
L Real estate activities	125.7	0.1	1.2
6820 Rents of office and business premises	125.9	0.1	1.3
6820A Rents of office premises	121.7	0.1	1.9
6820B Rents of business premises	130.8	0.1	0.9
M Professional, scientific and technical activities	127.1	-0.4	-0.2
69 Legal and accounting activities	138.9	-0.1	1.7
6910 Legal services	126.0	0.0	1.3
6920 Accounting, bookkeeping and auditing activities; tax consultancy	146.8	-0.2	1.9
702 Management consultancy activities	131.4	-0.3	-1.8
711 Architectural and engineering activities and related technical consultancy	126.6	-0.4	0.2
712 Technical testing and analysis	136.5	1.6	1.1
73 Advertising and market research	114.2	-1.1	0.0
731 Advertising	113.9	-1.1	0.0
732 Market research and public opinion polling	118.7	0.5	-0.9
N Administrative and support service activities	130.6	0.4	1.5
7732 Renting of construction and civil engineering machinery and equipment	127.3	0.6	0.8
7820 Temporary employment agency activities	127.3	0.4	1.5
8010 Private security activities	148.1	0.4	4.1
81 Services to buildings and landscape activities	131.1	0.2	1.8
811 Combined facilities support activities	136.5	0.2	2.5
812 Cleaning activities	123.9	0.3	1.0
S Other service activities	109.8	-0.4	1.8
9601 Washing and (dry-)cleaning of textile and fur products for enterprises	109.1	-1.7	1.0

**Appendix table 3. Producer Price Indices for Services 2010=100, BtoAll series**

Year and quarter		Industry								
		50 Water transport			53 Postal and courier activities			61 Telecommunications		
		Index	q-on-q,%	y-on-y,%	Index	q-on-q,%	y-on-y,%	Index	q-on-q,%	y-on-y,%
2010	I	98.8			101.6			101.5		
	II	100.2	1.4		101.8	0.1		100.7	-0.8	
	III	100.8	0.6		98.3	-3.4		100.7	0.0	
	IV	100.2	-0.6		98.3	-0.1		97.0	-3.6	
	I-IV	100.0			100.0			100.0		
2011	I	102.7	2.6	4.0	99.0	0.7	-2.6	96.8	-0.3	-4.7
	II	105.2	2.4	5.0	99.8	0.8	-2.0	95.4	-1.4	-5.3
	III	104.1	-1.0	3.3	101.1	1.4	2.8	95.8	0.5	-4.8
	IV	105.6	1.4	5.4	101.2	0.1	3.0	94.5	-1.4	-2.6
	I-IV	104.4		4.4	100.3		0.3	95.6		-4.4
2012	I	107.4	1.6	4.5	101.5	0.3	2.6	92.1	-2.5	-4.8
	II	109.0	1.6	3.7	101.5	0.0	1.7	90.1	-2.1	-5.5
	III	108.6	-0.4	4.3	105.1	3.6	3.9	89.4	-0.8	-6.7
	IV	107.8	-0.8	2.0	107.0	1.8	5.7	87.4	-2.3	-7.5
	I-IV	108.2		3.6	103.8		3.5	89.8		-6.1
2013	I	105.2	-2.4	-2.0	107.5	0.5	5.9	83.1	-5.0	-9.8
	II	104.5	-0.7	-4.1	109.7	2.0	8.1	81.6	-1.7	-9.4
	III	104.3	-0.2	-4.0	109.8	0.1	4.5	80.9	-0.9	-9.5
	IV	101.7	-2.5	-5.6	109.9	0.0	2.7	82.4	1.8	-5.7
	I-IV	103.9		-3.9	109.2		5.3	82.0		-8.6
2014	I	105.0	3.2	-0.2	119.7	9.0	11.3	83.0	0.8	-0.1
	II	102.7	-2.2	-1.8	119.5	-0.2	8.9	84.1	1.3	3.0
	III	103.8	1.1	-0.5	119.6	0.1	8.9	82.7	-1.6	2.2

# *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 for 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 for 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 for 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 for 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 from the Statistics Finland's unit which produces the statistics (e-mail [phti.tilastokeskus@stat.fi](mailto:phti.tilastokeskus@stat.fi), tel. +358 29 551 1000 / 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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Suomen virallinen tilasto  
Finlands officiella statistik  
Official Statistics of Finland

Prices and Costs 2014

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Source: Producer Price Indices for Services 2014, 3rd quarter. Statistics Finland