

Agenda – 27/06/2019

09:00-10:30 Outline of UK Services Producer Price Index
Freight transport by road

10:30-10:45 Tea break

10:45-12:00 Freight transport by road (cont)
Rail freight

12:00-14:00 Lunch break

14:00-15:00 Introduction to SPPI, Australia

15:00-15:15 Tea break

15:15-16:15 Rail freight transport

16:15-17:30 Countries examples

A bit about me and my job...

- Head the Business Prices team at the Office for National Statistics in Newport
- My team is responsible for the production of:
 1. Monthly Producer Price Index
 2. Quarterly Service Producer Price Index
 3. Monthly Construction Output Prices
- Team comprises 7 staff. We have overall responsibility for the outputs and publication, including survey and methods development
- A separate team in ONS Business Data Collection Division is responsible for the day-to-day running of the surveys, including item recruitment, data collection, validation and respondent liaison. This team comprises 18 staff.
- Additional support from IT, Methodology and central collection team as and when required.

History of the UK SPPI/1

- Producer Price Index measuring producer inflation in Manufacturing sectors since 1903
- SPPI development initially began in ONS in the early 1990's.
- Covered under statistics of Trade Act 1947
- Known as the Corporate Services Price Index (CSPI) originally
- Captures the quarterly changes in the price received for services provided by UK businesses to other UK businesses & Government

History of the UK SPPI/2

- Newly developed SPPI initially published as experimental statistics
- Formal assessment as National Statistics completed in 2014
- Commitment to quality and regulatory requirements (European Short term Statistics and System of National Accounts regulations) are pushing continuous development of the survey

SPPI development

Development has been piecemeal:

- Covered 5 industries in 1995
- Expanded to 12 in 1998
- Expanded to 22 in 2000
- Expanded to 32 industries in 2004
- Currently covering 42 industries

UK SPPIs cover for 42 industries that make up 12 SIC07 sections

- Sewerage Services
- Waste Disposal
- Sorted Materials Recovery Services
- Maintenance of Motor Vehicles
- Business Rail Fares
- **Commercial Rail Freight**
- Bus & Coach Hire
- **Freight Transport by Road**
- Vehicle Ferries – Commercial Traffic
- **Sea & Coastal Water Freight**
- Business Air Fares Top Level Index
- Storage & Warehousing
- Cargo Handling
- Freight Forwarding
- National Post/Parcel force
- Courier Services
- **Licensed Hotels & Motels**
- **Canteens & Catering**
- Secretarial Activities
- Contract Packing
- Adult Education
- Book Publishing Services
- Sound Recording & Music Publishing
- Business Telecoms
- Computer Software
- Property Rentals
- Real Estate Agency
- Legal Services
- Accountancy
- Business & Management Consultancy
- Architectural Services
- Engineering Services & Related Services
- Technical Testing & Analysis
- Advertising Services
- Market Research
- Commercial Film Processing
- Translation & interpretation Services
- Renting Services of Civil Engineering
- Recruitment & Personnel Services
- Security Services
- Industrial Cleaning
- Commercial Washing & Dry Cleaning

Sampling: How is SPPI constructed?

- SPPI is currently based on a fixed panel sample drawn from the [Inter-Departmental Business Register \(IDBR\)](#) using a stratified random sampling method
- 1,700 businesses are contacted via paper form in each quarterly period providing 4,000 price quotes

Weights:

How is SPPI constructed?

- SPPI weights are calculated at three levels
 - **Item weights** are calculated using turnover data provided at the point of recruitment, allowing these services to be weighted into the appropriate service product group of the industry in question.
 - **“Index to index” weights** are produced by weighting together service product groups to form industry-level indices using data collected from the Services Turnover Survey (STS). These are referred to as.
 - Industry-level indices are then combined into divisions, sections and the aggregate SPPI using data from the STS. Where suitable STS data are unavailable, a proxy is calculated using data from the ONS [Annual Business Survey \(ABS\)](#).

Rebasing and referencing: How SPPI is constructed

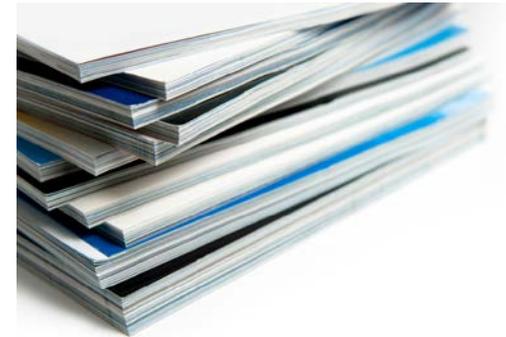
- SPPI is currently rebased every 5 years, which involves updating weights to be representative of recent spending in the service sector
 - The index is referenced at the same time as rebasing; SPPI is currently referenced to 2010 = 100.
- Disclosure controls used in SPPI mean indices below the “industry” level are not published.
- No SPPIs are currently seasonally adjusted.

Source of price data: How SPPI is constructed

- Price collection is mostly completed via postal forms; administrative data represent a 16% combined weight of aggregate SPPI
- Administrative data sources are:
 - Repair of motor vehicles: Retail Prices Index (RPI)
 - Sewerage services: Water Services Regulation Authority (Ofwat)
 - Business rail fares: Office of Rail Regulation (ORR)
 - Real estate: Investment Property Databank (IPD)
 - Banking: Bank of England (BoE)
 - Business telecommunications: Office of Communications (Ofcom)
 - National post parcels: Parcelforce

SPPI: What do we publish?

- Statistical Bulletin (HTML)
- Reference Tables (Excel via web)
- Revisions Triangles (Excel via web)
- Records (Excel via web)
- Time Series dataset (Excel via web)
- Time Series explorer (HTML)
- Standard Errors report (HTML)
- Quality and Methodology Information (HTML)
- Methods and Guidance (HTML)
- Admin Data reviews (HTML)



Over to you...

- What do you hope to achieve by the end of the day?
- What is your current involvement with SPPIs?
- Any specific aspects you would like to cover in this workshop

Session 1-3:

TRANSPORTATION & STORAGE

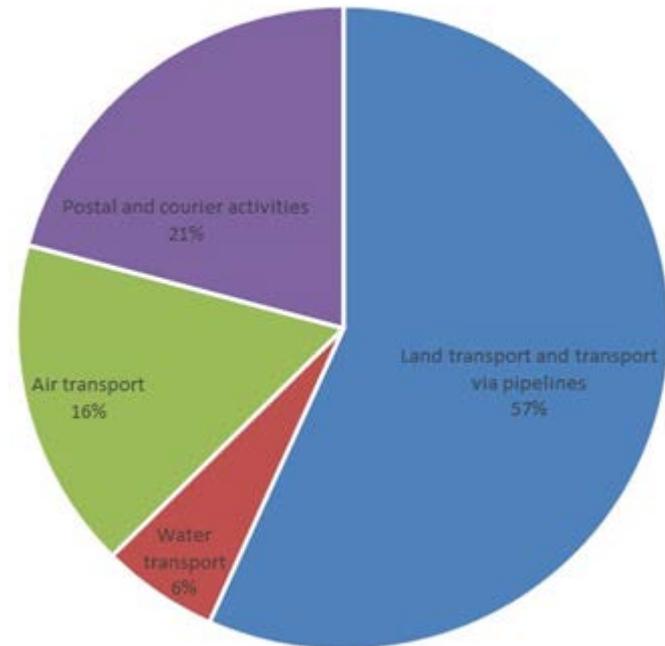
Section H Transportation and storage

Division	Group	Class	Description
Division 49			Land transport and transport via pipelines
	491		Transport via railways
		4911	Passenger rail transport, interurban
		4912	Freight rail transport
	492		Other land transport
		4921	Urban and suburban passenger land transport
		4922	Other passenger land transport
		4923	Freight transport by road
	493	4930	Transport via pipeline
Division 50			Water transport
	501		Sea and coastal water transport
		5011	Sea and coastal passenger water transport
		5012	Sea and coastal freight water transport
	502		Inland water transport
		5021	Inland passenger water transport
		5022	Inland freight water transport
Division 51			Air transport
	511	5110	Passenger air transport
	512	5120	Freight air transport
Division 52			Warehousing and support activities for transportation
	521	5210	Warehousing and storage
	522		Support activities for transportation
		5221	Service activities incidental to land transportation
		5222	Service activities incidental to water transportation
		5223	Service activities incidental to air transportation
		5224	Cargo handling
		5229	Other transportation support activities
Division 53			Postal and courier activities
	531	5310	Postal activities
	532	5320	Courier activities

UK Transport and storage industry

- Accounts for around 6% of UK GVA (excluding financial services)
- Around 108,000 businesses are active in this sector (4.5% of total UK businesses)
- The sector gives work to 1.4 million people (5.5% of UK employment)
- Around 50% of the industry GVA derives from passenger transport activities

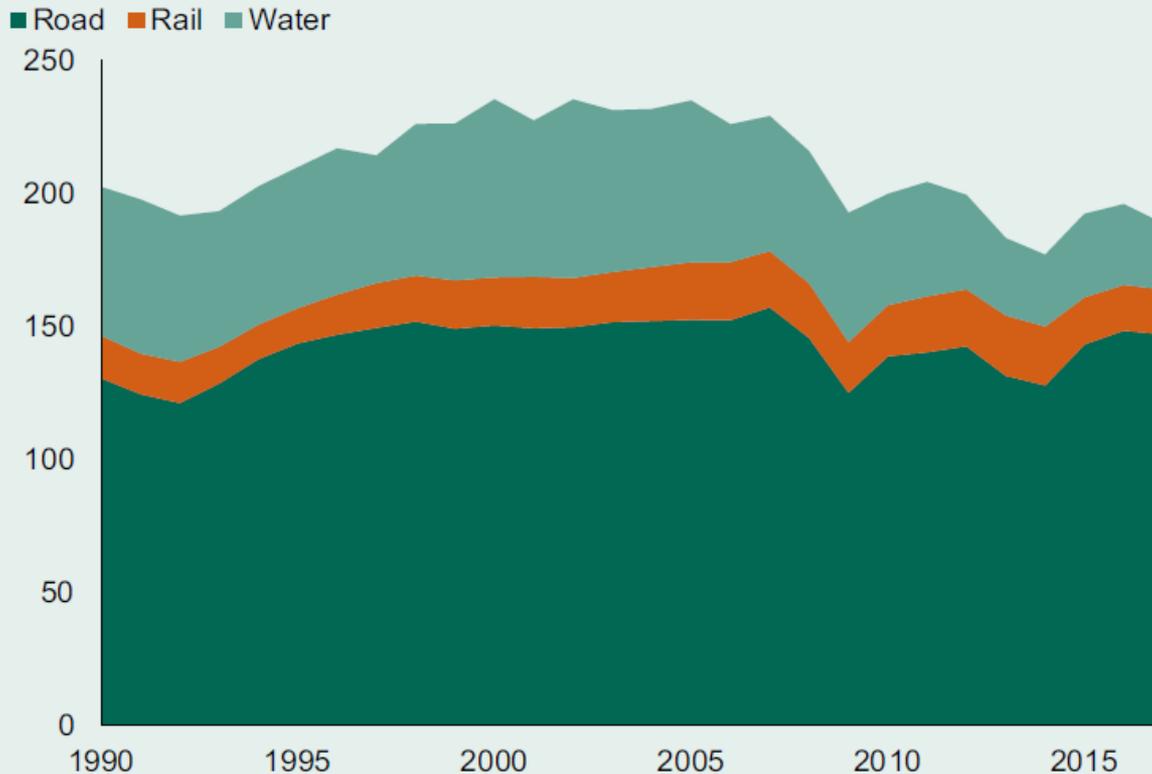
Section H: Transport and storage, percentage of GVA, 2007 -UK



UK transportation industry

Domestic Freight [TSGB0401](#)

Domestic freight, goods moved by mode: 1990 to 2017
(billion tonne kilometres)



189 billion

tonne kilometres of domestic freight was moved within the UK in 2017, of which ...

13%

of goods moved were by **water**



9%

of goods moved were by **rail**



78%

of goods moved were by **road**



Road and water: calendar year 2017
Rail: financial year 2017/18