

17 December 2009

Services Sector Price Indices. Base 2006
Third quarter of 2009. *Provisional data*

In the third quarter of 2009, most of the services reduced their annual rate as compared with the rate registered the second quarter

Advertising and market studies is the activity with the greatest reduction, with an annual rate of **-24.0%**

Interannual variation rates

In the third quarter of 2009, there was a decrease in the annual rate of the prices of most of the activities.

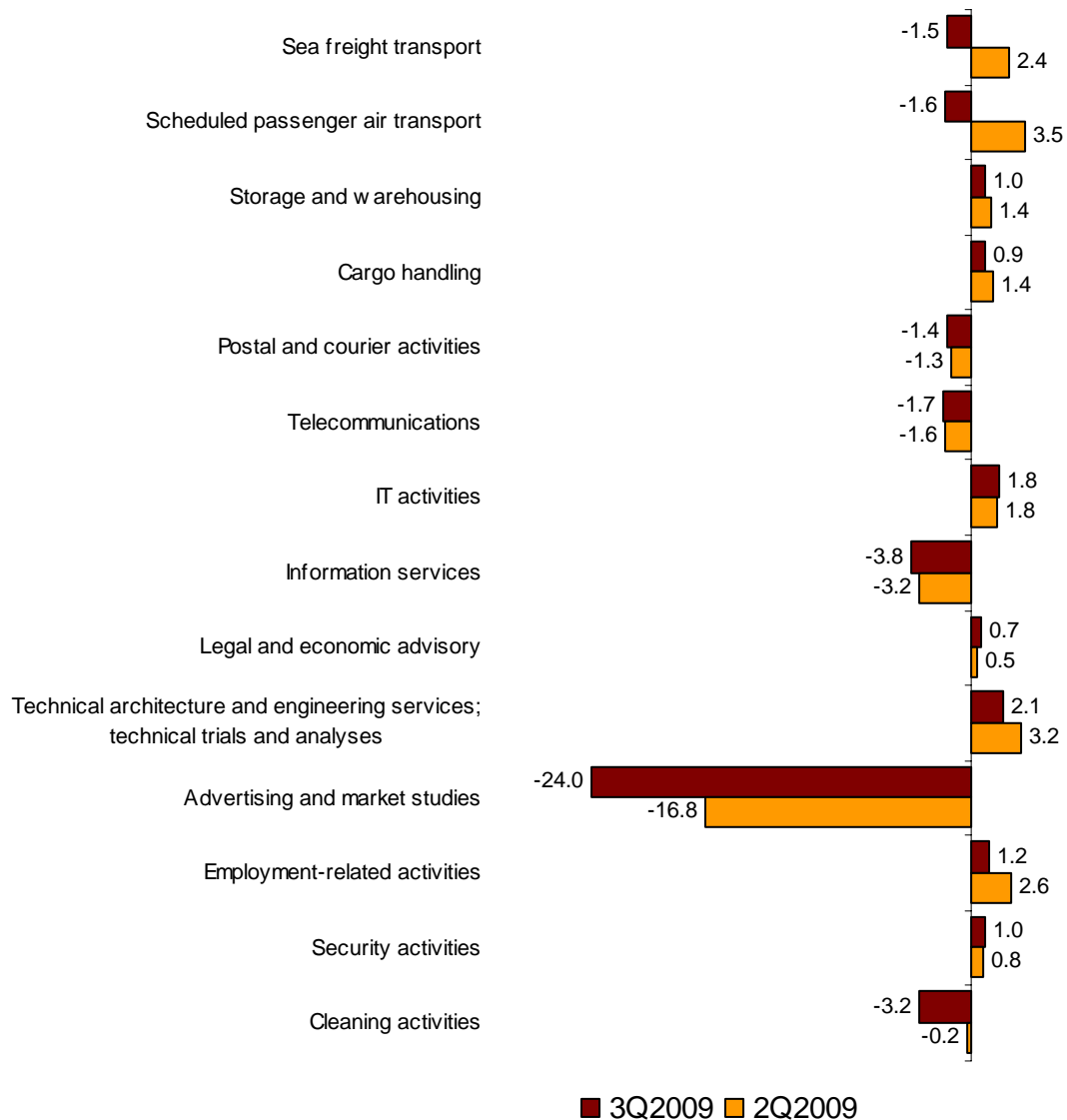
Among the services whose annual rate decreased, the most noteworthy were:

- **Advertising and market studies**, whose interannual rate decreased more than seven points to **-24.0%**. This reduction was largely due to the drop in prices of *advertising services*, which was greater this quarter than in 2008.
- **Scheduled passenger air transport**, whose rate stood at **-1.6%**, more than five points below the rate registered the previous quarter, due to the prices of these services increasing more in the third quarter of 2008 than this year.
- **Sea freight transport**, whose interannual rate stood at **-1.5%**, four points below the rate registered for the second quarter 2009. This decrease was due to the prices of this type of transport decreasing this quarter, whereas in 2008 they increased.

Likewise, the most noteworthy increases in the annual rate corresponded to:

- **Legal and economic advisory**, whose interannual rate increased two tenths, standing at **0.7%**, due to the fact that its prices rose this quarter, as compared with the drop registered the same quarter the previous year.
- **Security activities**, whose interannual rate stood at **1.0%**, two tenths above the rate from the previous quarter. This increase was due to the rise in prices of these activities this quarter, as compared with the decrease experienced in the third quarter of 2008.

The following graph shows the interannual rates from the third quarter of 2009, as compared with those from the previous quarter:



Quarterly variation rates

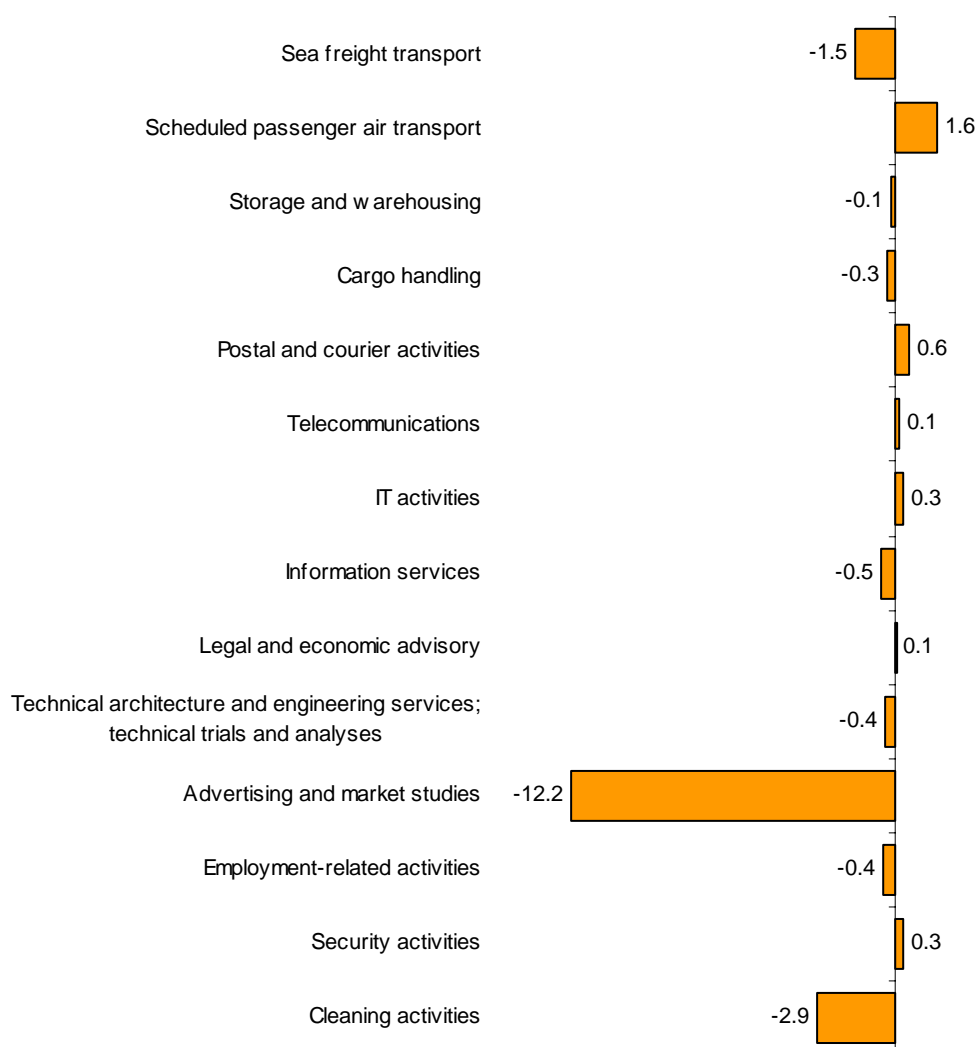
The services with the lowest quarterly variation rates in the third quarter of 2009 were:

- **Advertising and market studies**, whose quarterly rate stood at **-12.2%**, mainly due to the decrease in prices of *advertising services*.
- **Cleaning activities**, with a quarterly variation of **-2.9%**.

In turn, the service with the highest quarterly variation rate was:

- **Scheduled passenger air transport**, which increased its prices this quarter, as compared with the previous quarter by **1.6%**.

The quarterly variations of the different services of the SSPI are provided in the following graph:



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National indices by sector

	Index	% Variation		
		Over previous quarter	Year-to-date	Interannual
1. Sea freight transport	98.1	-1.5	-4.4	-1.5
2. Scheduled passenger air transport	118.2	1.6	-1.6	-1.6
3. Storage and warehousing	108.2	-0.1	0.9	1.0
4. Cargo handling	109.8	-0.3	1.5	0.9
5. Postal and courier activities	98.7	0.6	-1.2	-1.4
6. Telecommunications	87.5	0.1	-1.9	-1.7
7. IT activities	108.7	0.3	0.2	1.8
8. Information services	108.6	-0.5	-1.8	-3.8
9. Legal and economic advisory	106.8	0.1	0.8	0.7
10. Technical architecture and engineering services; technical trials and analyses	112.1	-0.4	2.5	2.1
11. Advertising and market studies	78.3	-12.2	-25.8	-24.0
12. Employment-related activities	107.7	-0.4	1.3	1.2
13. Security services	110.3	0.3	1.1	1.0
14. Cleaning activities	102.0	-2.9	-3.8	-3.2

Methodological Annex

The Services Sector Price Index (SSPI), whose index is quarterly, has the objective of measuring the evolution of the prices of the services provided by those companies that operate in each of the sectors, from the perspective of the producer. The prices collected correspond to the services supplied to companies.

With this index, Regulation (EC) No. 1158/2005 of the European Parliament and of the Council of 6 July 2005 on company short-term statistics, regarding services sector prices, are complied with.

Given the broad scope of this project, the INE, as with the rest of the Central Statistics Offices of the European countries, established two stages for the completion of its preparation. During the first stage, we prepared the indices corresponding to the sectors of *Scheduled passenger air transport*, *Sea freight transport*, the *Telecommunications* sector, *Postal and courier activities*, *IT activities* and *Information services*. In the second stage, the following activities were added: *Cargo handling* and *Storage and warehousing*, *Legal and economic advisory*, *Technical services*, *Advertising and market studies*, *Employment-related activities*, *Security services* and *Cleaning services*.

Calculation methodology

For most of the activities, the information is obtained from a sample that contains the largest companies in each activity (cut-off method), until we have reached a **minimum of 70% of the market quota for each of the sectors studied**. Quarterly, each of the selected companies provides information on prices, from which the indices are built.

The general calculation formula used in the SSPI is a **fixed-base Laspeyres index**, except for the sectors of *Telecommunications* and *Advertising and market studies*, where a **linked Laspeyres index** is used.

The main advantage of using linked indices is that this allows for the annual renewal of the weightings of its components, the revision of the units included in the sample, and the introduction of methodological changes. Thus, we achieve a permanent adaptation of the SSPI in those sectors in which changes are more frequent.

The series of all of the activities are available from the first quarter of 2007 onwards.

The content of each activity is listed below:

- *Sea freight transport* contains the sea freight transport services offered to companies, in both scheduled lines and unscheduled lines.
- *Scheduled passenger air transport* contains those services offered to the business sector by those airlines resident in Spain.
- *Storage and warehousing* contains the storage and warehousing services for three product categories: liquids or gases, refrigerated or frozen products and the remaining products.
- *Cargo handling* contains merchandise loading and unloading activities.
- *Postal and courier activities* contains the services of collection, transport and delivery of letters and parcels. This comprises both those activities that are subject to the obligation of universal service, and the remaining postal and courier activities.

- *Telecommunications* contains the services of landline and mobile telephony and the Internet, aimed at the business sector.
- *IT activities* comprises the supply of technical knowledge in the field of computer programming and consultancy.
- *Information services* contains the services of data processing, hosting, web portals and news agencies.
- *Legal and economic advisory* comprises legal activities, accounting activities, book-keeping, auditing and tax advisory, as well as business management consultancy activities.
- *Technical architecture and engineering services; technical trials and analyses* comprises the provision of architectural and engineering services, as well as services that perform physical or chemical trials and other analytical trials.
- *Advertising and market studies* contains the services of advertising placement in the media, and the market studies services.
- *Employment-related activities* contains the activities of temporary employment agencies.
- *Security services* comprises services related to security offered to the business sector, such as surveillance services, central alarm connection services and services for the transportation of funds and the handling of cash.
- *Cleaning activities* contains the cleaning services offered to companies.

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