

22 March 2010

Services Sector Price Index (SSPI). Base 2006
Fourth quarter 2009. *Provisional data*

Main results

- The **interannual variation** rate of the **Telecommunications** price index for the fourth quarter of 2009 decreases five points, standing at **-6.4%**.
- **IT activities** services register an **annual variation** of **-0.9%**, almost two points below that registered in the third quarter.
- The **price index for Advertising and market studies** increases its **interannual rate** almost two points, standing at **-16.1%**.

Interannual variation rates

Seven of the 14 activities in the services sector, for which price indices are calculated, experienced an increase in their interannual variation rate in the fourth quarter of 2009, six experienced a decrease and one remained the same.

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

- **Telecommunications**, whose interannual rate decreased five points, standing at **-6.4%**. This was due to the fact that, this quarter, prices decreased as compared with the stability they experienced in the fourth quarter of 2008.
- **IT activities**, whose annual rate stood at **-0.9%**, almost two points below that registered the previous quarter, this being the first time since the first quarter of 2008 that it presented a negative interannual rate.

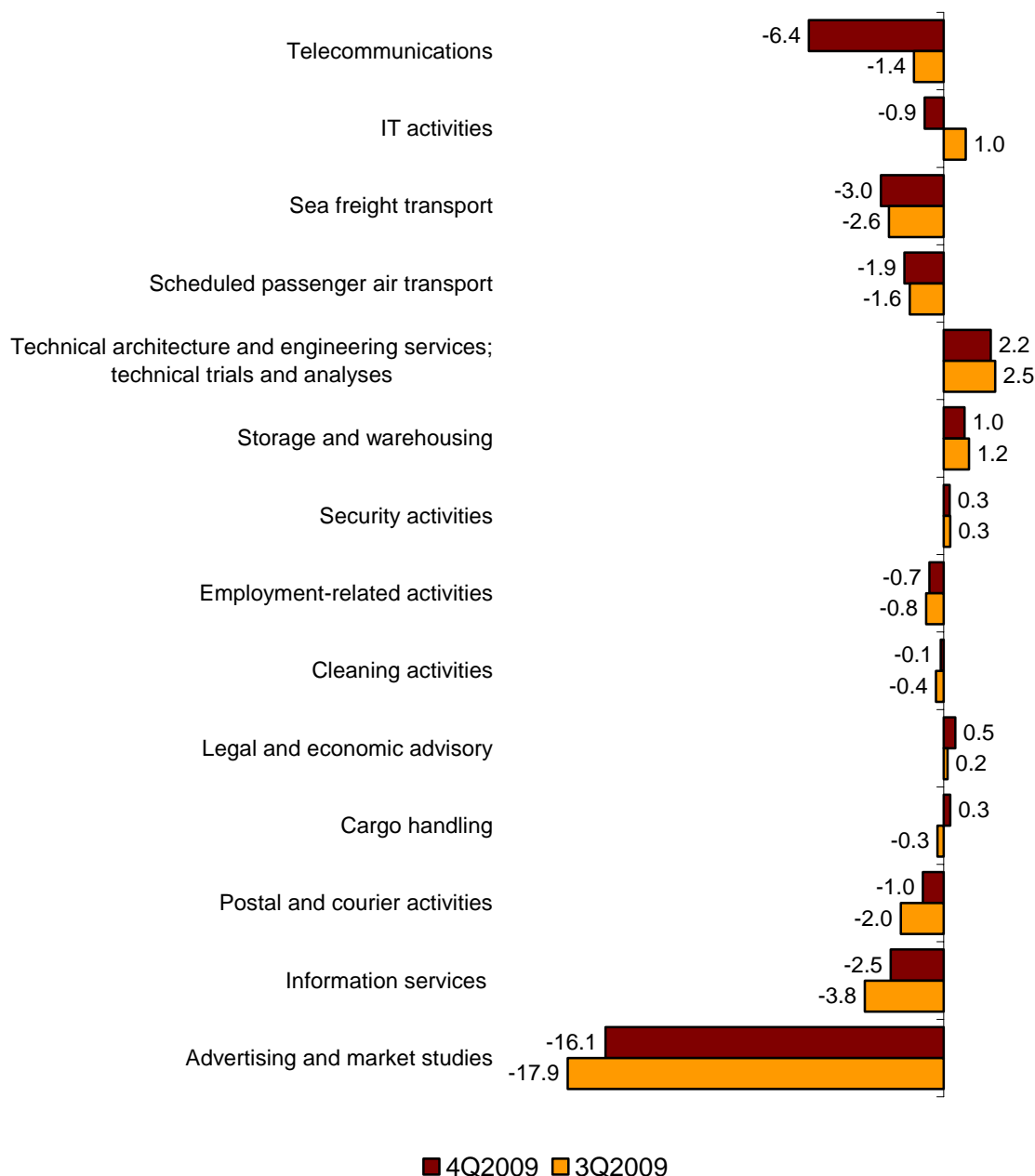
Likewise, the most noteworthy increases in the annual rate corresponded to:

- **Advertising and market studies**, whose interannual rate increased almost two points, standing at **-16.1%**, due to the fact that advertising prices rose more in the last quarter of 2009 than in the same period of 2008.
- **Information services**, whose interannual rate stood at **-2.5%**, more than one point above that from the previous quarter. This increase was in response to the fact that the decrease in prices was less than in the fourth quarter of 2009.

• **Postal and courier activities**, which with a rate of **-1.0%**, increased one point as compared with that from the third quarter of 2009, due to the increase in prices of these activities in the fourth quarter of 2009.

Annual rates of the SSPI, base 2006

Index by sector



Quarterly variation rates

The services with the highest quarterly variation rates in the fourth quarter of 2009 were:

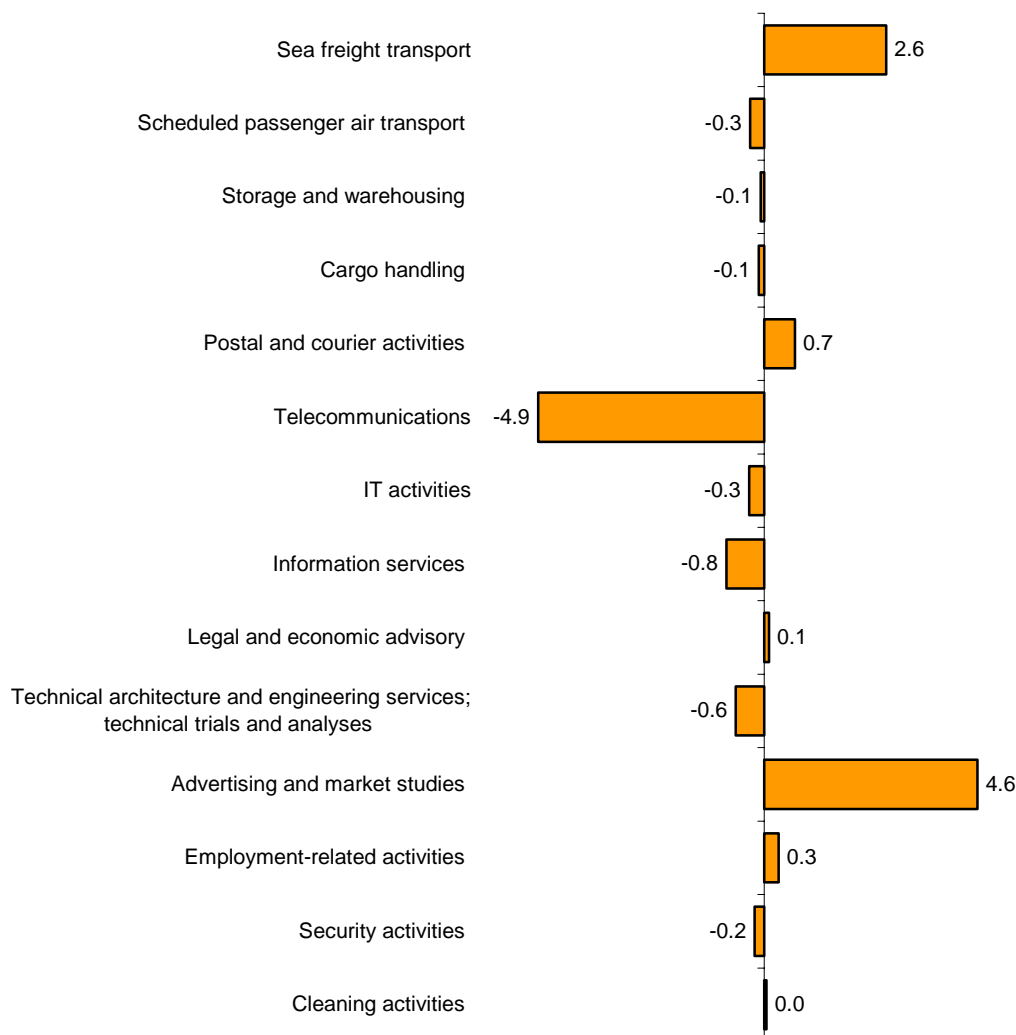
- **Advertising and market studies**, whose quarterly variation was **4.6%** was largely due to the rise in the prices of *Advertising* services.
- **Sea freight transport**, with a quarterly variation rate of **2.6%**.

In turn, the lowest quarterly variation rate was registered by:

- **Telecommunications**, whose prices dropped in the fourth quarter of 2009 to **-4.9%**.

Quarterly rates of the SSPI, base 2006

Index by sector



Services Sector Price Indices. Base 2006

Fourth quarter of 2009

Provisional data

1. National indices by sector

	Index	% Variation		
		Over previous quarter	Year-to-date	Interannual
1. Sea freight transport	99.6	2.6	-3.0	-3.0
2. Scheduled passenger air transport	117.9	-0.3	-1.9	-1.9
3. Storage and warehousing	108.0	-0.1	1.0	1.0
4. Cargo handling	108.6	-0.1	0.3	0.3
5. Postal and courier activities	98.7	0.7	-1.0	-1.0
6. Telecommunications	83.5	-4.9	-6.4	-6.4
7. IT activities	107.6	-0.3	-0.9	-0.9
8. Information services	107.8	-0.8	-2.5	-2.5
9. Legal and economic advisory	107.8	0.1	0.5	0.5
10. Technical architecture and engineering services; technical trials and analyses	112.0	-0.6	2.2	2.2
11. Advertising and market studies	88.5	4.6	-16.1	-16.1
12. Employment-related activities	105.6	0.3	-0.7	-0.7
13. Security services	108.7	-0.2	0.3	0.3
14. Cleaning activities	104.0	0.0	-0.1	-0.1

Methodological annex

The objective of the Services Sector Price Index (SSPI), which is published quarterly, is to measure 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 provided to companies.

This index complies with Regulation (EC) No. 1158/2005 of the European Parliament and Council, of 6 July 2005, on company short-term statistics as concerns the prices of the services sector.

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 phase 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 activities*.

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, bookkeeping, 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 transport of funds and the handling of cash.
- *Cleaning activities* contains the cleaning services offered to companies.

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