

Services Index

Services output rose by 1.0 per cent in the three months to August compared with the three months to May. Four of the five components of the service sector increased in output; the most significant increase was in business services and finance.

Distribution output rose by 0.6 per cent in the three months to August. The most significant increase was in retail. Wholesale output also increased; there was, though, a decrease in the motor trades.

Hotels and restaurants output rose by 1.2 per cent in the three months to August. The most significant increases were in canteens and catering, hotels, unlicensed restaurants and cafes and licensed restaurants.

Transport, storage and communications output rose by 0.6 per cent in the three months to August. The most significant increase was in post and telecommunications. Other transport services and air transport also increased in output; there were, though, decreases in output from land and water transport.

Business services and finance output rose by 2.0 per cent in the three months to August. The rise was driven by other business services; the most significant increases here were in miscellaneous business activities, architectural services, legal services and labour recruitment.

Government and other services output fell by 0.1 per cent in the three months to August. The most significant decrease was in recreation; this was mainly due to falls in sporting and other recreational activities, motion pictures, video and news agencies and radio and television. The most significant increase was in public administration and defence.

Services output between July and August rose by 0.3 per cent. Again four of the five components increased in output with the most significant increase in business services and finance. Output also increased in transport, storage and communication, hotels and restaurants and distribution. Output from government and other services was unchanged.

Table 1

Percentage change: latest three months on previous three months

2003=100		Total	Total Services	Distribution	Hotels & Restaurants	Transport & Communications	Business Services & Finance	Government & other services
2003	weights		1000	165	42	104	373	316
2007	Mar	114.2	1	0.8	1.6	1.9	1.0	0.5
	Apr	113.9	1	1.2	1.3	2.1	0.9	0.6
	May	114.6	1	1.4	1.0	1.4	1.2	0.4
	Jun	115.0	1	0.5	0.9	0.8	1.7	0.1
	Jul	115.3	1	0.7	1.1	0.5	2.0	-0.2
	Aug	115.7	1	0.6	1.2	0.6	2.0	-0.1

Questions

1. What is the purpose of the weights?
2. Calculate the increase in service output between May and June 2007.
3. Calculate the increase in service output between 2003 and August 2007.
4. Why is the measurement of service output so important?
5. How do you think service output is measured?