

GGDC 60-Industry Database Release February 2005

In this document we describe the changes in the new February 2005 release of the 60-Industry Database, compared to the previous October 2004 release. This new release does not contain new countries or updated data. Instead, it was mainly triggered by suggestions of various users to make our treatment of ICT goods deflators more transparent. In addition to this, we took the opportunity to revise a limited set of industry series on the basis of new information.

Alternative deflators for ICT goods producing industries

At present there are only a few countries that have an adequate system in place for measuring prices of computers and semiconductors, which take into account the fast increase in quality of these goods. To achieve international comparability, harmonised US deflators are applied. US value added deflators are corrected for differences in overall inflation between each country and the US.¹ In the previous releases we applied these deflators to 8 manufacturing industries (ISIC 30, 313, 31ex313, 321, 322, 323, 331 and 33ex331) in all countries. But with increasing availability of quality-corrected deflators at a detailed industry level in various other countries we reconsidered the set of industries to which this methodology is applied. It appears that only for two industries: Office machinery (ISIC 30) and Electronic valves and tubes (ISIC 321) there is strong evidence of widely diverging value added deflators between countries due to differences in price deflators for computers and semi-conductors. Therefore we decided to apply the harmonised US deflators only for these two industries: 30 and 321.

The presentation of the data in the new version tries to make this transparent. Our default option is to use the harmonised deflators for 30 and 321 as this enhances international comparability. Hence, the first line "TOTAL INDUSTRIES" (row 4 in the country files worksheets) is based on harmonised deflators, as are the lines for industries 30 and 321 in the main body (rows 24 and 27 in the country files worksheets). At the bottom of each worksheet we also provide the data based on national deflators for TOTAL and industries 30 and 321. This allows the user to gauge the impact of our harmonisation procedure.

The only exceptions to this harmonisation procedure are the data for some Central and Eastern European (CEE) countries. For the Czech republic, Hungary, Poland and the Slovak republic we used national deflators without adjustment.²

Minor revisions

- Australia: revised data on trade (NACE 50-52) for Value added (VA) and Persons engaged (EMP) for the whole 1979-2002 period.

¹ See document about data sources and methodology at http://www.ggdc.net/dseries/data/60-industry/data_sources_and_methodology_60-i_04.pdf for full description of this methodology.

² Reasons for using national deflators are discussed in Ark, B. van and M. Piatkowski (2004), "Productivity, innovation and ICT in Old and New Europe", International Economics and Economic Policy, vol. 1, pp. 215-246. In this paper the authors voice their reluctance of using US hedonic deflators for Office machinery (ISIC 30) and Electronic valves and tubes (ISIC 321) in the CEE countries. These industries are the only industries for which US hedonics are used in this version of the database. Therefore we only apply national deflators for the CEE countries.

- Canada: Value added deflator growth rates for 2001-2002 were added, previous version assumed 2001-2002 value added deflator growth rates the same as 2000 growth rates.
- Italy: VA and EMP Transport series (NACE 60-63) were revised for the whole 1979-2002 period.
- Japan: revised VA and EMP series for Motor vehicles (NACE 34) and Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel (NACE 50) for the whole 1979-2002 period.
- Korea: Detailed 2002 data for EMP and Hours have been added, these used the Total Economy 2001-2002 growth rates.
- Poland: small adjustment of hours worked in 1993-1994 as a result of revision in national accounts data.
- Sweden: Revised VA data for Other business services (NACE 74.1-3 and 74.9) for the whole 1979-2002 period.
- UK: revised EMP and EMPE (Employees) series for Transport (NACE 60-63) for the whole 1979-2002 period.