

Singapore Standard Classification of Individual Consumption According to Purpose

By
Miss Suzanne Wong
Economic Accounts Division
Singapore Department of Statistics

Introduction

The Singapore Department of Statistics (DOS) has recently completed the development of the Singapore Standard Classification of Individual Consumption According to Purpose (S-COICOP). Based on the United Nations (UN) Classification of Individual Consumption According to Purpose (COICOP), S-COICOP is designed for use in the classification of Private Consumption Expenditure (PCE) in the national accounts, as well as the classification of goods and services in the Consumer Price Index (CPI) basket and Household Expenditure Survey (HES).

This article provides some background on COICOP, explains the rationale for developing a COICOP-based classification for Singapore

use and also outlines the basic structure and principles of classification of S-COICOP.

Background on COICOP

COICOP is one of the functional classifications in the UN 1993 System of National Accounts (SNA93). It is used to classify individual consumption expenditures of three institutional sectors, namely households, non-profit institutions serving households (NPISHs) and government. COICOP is described as a "functional" classification because it categorizes consumption expenditures according to their primary "functions" – in the sense of "purposes" or "objectives" – for example, housing, medical, transport, recreation and education.

COICOP is also recommended by the International Labour Office (ILO) for the compilation of the CPI. The ILO which is responsible for providing international best practice guidelines on CPI recognizes in its resolution that 'for the purposes of international comparisons, the [CPI] classification should also be reconcilable with the most recent version of the UN Classification of Individual Consumption According to Purpose (COICOP), at least at its division level'.

Similarly, COICOP is also intended for use in the classification of goods and services in the HES. This is supported by the ILO resolution which observes that 'there should be consistency between the classification used for index compilation and the one used for household expenditure statistics'.

Developing a Common COICOP-Based Classification for Singapore

In 2006, DOS reviewed and assessed that the development of a common classification based on the UN COICOP for use in the compilation of PCE, CPI and HES would benefit both producers and users of the data. Some potential benefits of a common COICOP-based classification for Singapore use include :

- Enhanced data sharing among data producers. One of the most important applications of the CPI is the deflation of PCE in the national accounts. Hence,

the deflation of expenditures at the most detailed level is facilitated by a common classification of price indices on goods and services.

- A more integrated set of consumption, price and expenditure statistics. A harmonized classification system based on COICOP would help facilitate analyses on PCE, CPI and HES.
- Greater international comparability. Adopting a COICOP-based classification would align the relevant Singapore official statistics more closely to those of other countries that use a COICOP-based classification, such as Australia, Hong Kong and all the European Union member countries (including the United Kingdom).

S-COICOP – Structure and Principles of Classification

S-COICOP is closely aligned to the basic framework of the UN COICOP. However, as with other national classifications, S-COICOP has adapted the UN COICOP as appropriate to better meet the requirements of Singapore's users and to take into account the local context. Compared to the UN classification which comprises 12 divisions at the first level (highest), 47 groups at the second level and 117 classes at the third level (lowest), the Singapore classification has 13 divisions, 45 groups and 109 classes (Table 1).

TABLE 1 FIRST LEVEL STRUCTURE OF UN COICOP AND S-COICOP

| UN COICOP | S-COICOP |
|---|---|
| 01 Food & Non-Alcoholic Beverages | 01 Food & Non-Alcoholic Beverages |
| 02 Alcoholic Beverages, Tobacco & Narcotics | 02 Alcoholic Beverages & Tobacco |
| 03 Clothing & Footwear | 03 Clothing & Footwear |
| 04 Housing, Water, Electricity, Gas & Other Fuels | 04 Housing & Utilities |
| 05 Furnishings, Household Equipment & Routine Household Maintenance | 05 Furnishings, Household Equipment & Routine Household Maintenance |
| 06 Health | 06 Health |
| 07 Transport | 07 Transport |
| 08 Communication | 08 Communication |
| 09 Recreation & Culture | 09 Recreation & Culture |
| 10 Education | 10 Education |
| 11 Restaurants & Hotels | 11 Food Serving Services |
| | 12 Accommodation Services |
| 12 Miscellaneous Goods & Services | 13 Miscellaneous Goods & Services |

Key differences between the UN COICOP and S-COICOP include the following :

- Food Serving Services and Accommodation Services are elevated to the first or division level in S-COICOP to identify them as two separate major consumption purposes. At the class level, more breakdowns on food and beverage services and accommodation services are shown.
- Similar to other countries, Narcotics and Prostitution Services are excluded from S-COICOP for practical reasons.
- The Education division in S-COICOP includes 2 additional groups : Private Tuition and School Textbooks, Assessment Papers and Related Study Guides to reflect their importance in the Singapore context.

- Hospices, Nursing Homes, Convalescent and Rehabilitation Services is identified at the class level under the Health division as step-down care services in Singapore become increasingly important.

Classification by Purpose

In line with the principles of the UN COICOP, S-COICOP categorizes consumption expenditures according to their primary “functions” or “purposes”.

Multi-Purpose Goods and Services

While most goods and services can be unambiguously assigned to a single purpose, some could plausibly be assigned to more than one purpose. Thus, for goods and services that are multi-purpose in nature, the general rule followed has been to assign them to the division that represents the predominant purpose. For example, food consumed at restaurants is assigned to *Food Serving Services* division not *Food and Non-Alcoholic Beverages* division.

Mixed Purpose Goods and Services

Single outlays or expenditures may sometimes comprise a bundle of goods and services that serve two or more different purposes. Examples include the purchase of

an all-inclusive package holiday which may include payments for sightseeing, recreation, transport, accommodation and catering services.

For these expenditures, the need to obtain a “purpose” breakdown that is as precise as possible has to be balanced with practical considerations of data availability. As such, purchases for package holidays are classified under Package Holidays (under Recreation division) with no attempt to identify separate purposes such as transport, accommodation and catering.

Likewise, purchases of in-patient hospital services are classified under Hospital, Convalescent and Rehabilitation Services (under Health division) for practicality even though they include payments for hospital accommodation and catering services.

On the other hand, expenditures on educational services which may include payments for educational materials, boarding and transport services, should be classified as far as possible to their respective purposes such as Education, Accommodation Services and Transport.

The Next Step

The development and adoption of a common COICOP-based classification for the collection, compilation and analysis of

consumption, price and expenditure statistics will yield significant benefits to both producers and users of the data. Particularly, it provides the basis for more integrated consumption, price and expenditure statistics, enhanced international comparability and data sharing.

Presently, the classification of PCE in the national accounts is already largely COICOP-based. Alignment to S-COICOP will require only relatively minor revisions, and these will be implemented in the next rebasing of the national accounts to reference year 2005 in early 2010.

DOS will also be using S-COICOP in the on-going HES 2007/08 where results will be ready towards end-2009. Thereafter, DOS will move towards using the S-COICOP classification for the CPI in its next rebasing using the HES 2007/08 results. The CPI with S-COICOP classification is expected to be ready in 2011.

Producers of these statistics will align existing classifications to S-COICOP as far as it is practically possible, taking into consideration data availability.

The use of a COICOP-based classification in national accounts, price and expenditure statistics is in line with international recommendations and best practices (SNA93 and ILO resolution) and the development of the S-COICOP is key to achieving this.

References

- International Labour Organization (2003) "Resolution II: Resolution concerning Consumer Price Indices"
<http://www.ilo.org/public/english/bureau/stat/download/res/cpi2.pdf>
- United Nations Statistics Division (2002) "Classifications of Individual Consumption According to Purpose (COICOP)"
<http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=5&Lg=1>
- United Nations Statistics Division (2000) "Classifications of Expenditure According to Purpose : Classification of the Functions of Government (COFOG), Classification of Individual Consumption According to Purpose (COICOP), Classification of the Purposes of Non-Profit Institutions Serving Households (COPNI), Classification of the Outlays of Producers According to Purpose (COPP)"
Statistical Papers Series M No. 84

Performing Arts Activities

Do you know ...

that the number of arts performances had trebled over the last decade?

7,449 arts performances were conducted in 2007 (Chart 1). This was almost three times the number of performances (at 2,510) in 1997, or an average annual growth of about 11 per cent over the ten-year period.

Performances by all the various arts types, namely : music, dance, theatre and others, grew over the past decade (Chart 2). Multi-disciplinary performances (“Others”) increased at the fastest pace of 18 per cent per annum. Music and dance performances grew at around 14 per cent each over the same period.

In comparison, the rate of increase in the number of theatre performances was lower at 7.2 per cent per year. Nonetheless, theatre performances still accounted for 33 per cent of total arts performances in 2007.

Both the numbers of ticketed and non-ticketed (for example, free arts events) performances showed upward trends over the past decade. Prior to 2005, the number of ticketed performances was greater than the number of non-ticketed performances (Chart 3). Since 2005, ticketed performance were outnumbered by non-ticketed ones.

CHART 1 TOTAL ARTS PERFORMANCES, 1997–2007

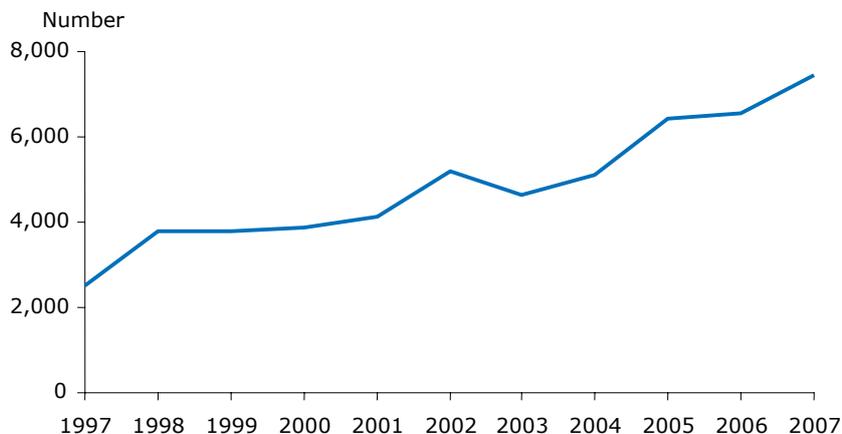


CHART 2 ARTS PERFORMANCES BY TYPE, 1997 AND 2007

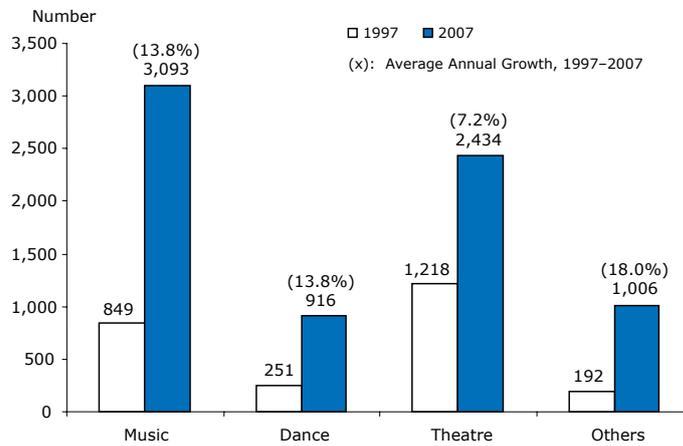
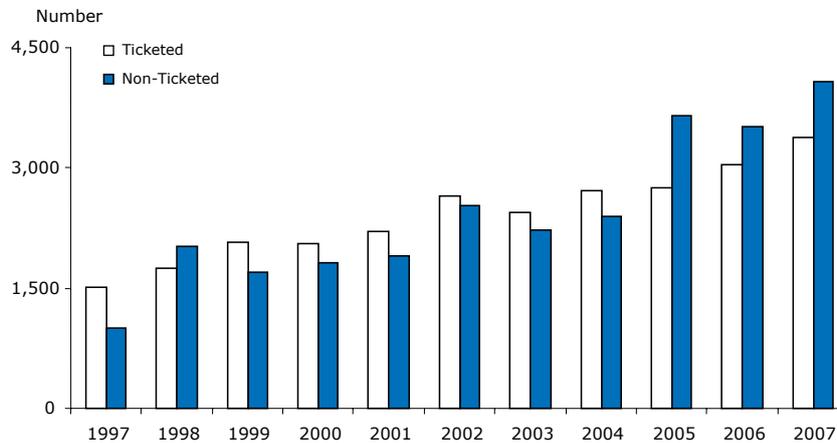


CHART 3 TICKETED AND NON-TICKETED ARTS PERFORMANCES, 1997-2007

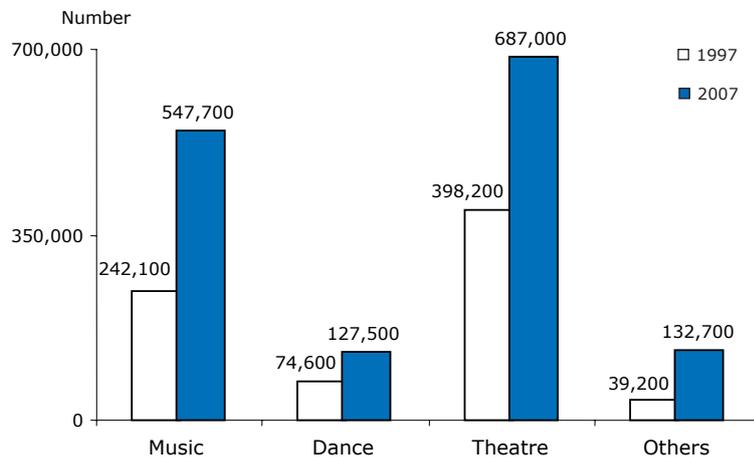


In 2007, for every four ticketed performances, there were five non-ticketed ones.

Festivals such as the *Singapore Arts Festival*, *Singapore Street Festival*, *Huayi : Chinese Festival of Arts*, *Mosaic Music Festival*, *Kalaa Utsavam : Indian Festival of Arts*, *Pesta Raya : Malay Festival of Arts*, and *Da:ns Festival* were key contributors of non-ticketed performances in 2007.

Total ticketed attendances reached 1.5 million in 2007, up from about 750,000 in 1997. In terms of the popularity of ticketed performances, theatre performances drew the largest number of attendees in 1997 (398,200) and in 2007 (687,000) among all the performing art forms (Chart 4). Ticketed music performances were also popular, attracting over half a million attendees in 2007.

CHART 4 TICKETED PERFORMANCES BY TYPE OF ARTS PERFORMANCE, 1997 AND 2007



More information on the Arts could be obtained from the report on the "2007 Statistical Round-Up of the Arts" available from the National Arts Council website at

<http://www.nac.gov.sg/sta/sta02.asp>

Selected data on the Arts are also included in the *Yearbook of Statistics 2008*.

The Singapore Department of Statistics has released an Information Paper on ***Re-Basing and Revision of the Wholesale Trade Index (2007=100)***. The paper provides details on the data sources, methodology adopted, and the formula for index compilation in the rebasing of the Wholesale Trade Index (WTI) to reference year 2007.

The WTI index measures the business performance of the wholesale trade sector. The index series comprises Domestic WTI and Foreign WTI for measuring the wholesale sales in and outside of Singapore. These indices are presented in both current prices and constant prices.

A comparison of the rebased series and old series is presented in the report. For more information, download a softcopy of the Information Paper from the SingStat website at

<http://www.singstat.gov.sg/pubn/papers/economy/ip-b20.pdf>

Formation and Cessation of Companies and Businesses, January–June 2008

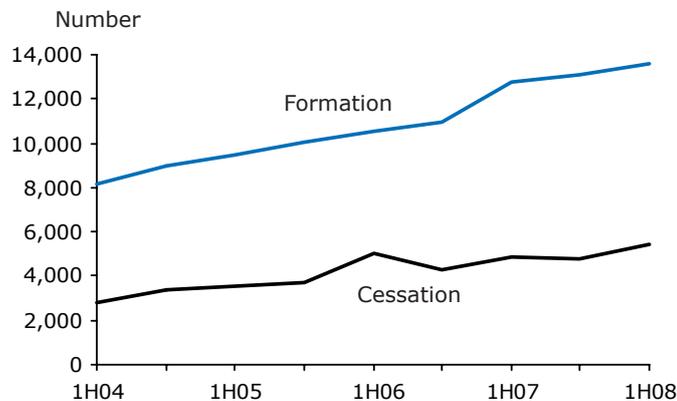
Companies

The uncertainty in economic situation led to a lower growth rate in overall company formation in 1H08. The 13,600 companies formed during this period represented an increase of 6.4 per cent from 1H07. This was significantly lower than the 21 per cent increase registered in 1H07 compared to 1H06. Out of the 13,600 companies set up in 1H08, 55 per cent were from the wholesale & retail trade, financial & insurance activities, and professional, scientific & technical activities industries. Almost all major industries recorded increases in the number of companies formed, eg arts, entertainment, recreation & other service activities (28 per cent), construction (17 per cent) and transport & storage (11 per

cent). The exception was real estate, rental & leasing activities industry, where the 340 companies set up in 1H08 was less than the 420 formations recorded in the same period of 2007.

The total number of company cessations stood at 5,420 in 1H08, which was 12 per cent higher than the 4,830 recorded in 1H07. There was a higher number of company cessations in all major industries, with the largest increase observed in the hotels & restaurants industry (from 160 in 1H07 to 220 in 1H08). Other industries reporting double-digit increases included information & communications (23 per cent), transport & storage (23 per cent), manufacturing (18 per cent), and financial & insurance activities (17 per cent).

CHART 1 FORMATION AND CESSATION OF COMPANIES



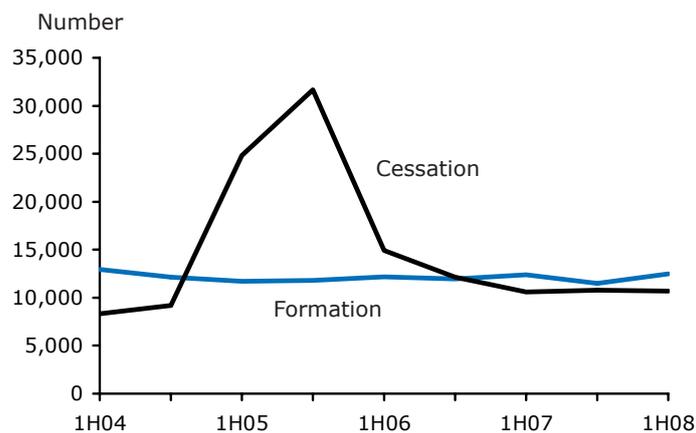
Businesses

12,460 businesses were formed in 1H08, marginally higher than the 12,390 recorded in 1H07. More than half of total business formations were from the wholesale & retail trade, professional, scientific & technical activities, and arts, entertainment, recreation & other service activities industries. Financial & insurance activities, construction and professional, scientific & technical activities industries registered higher business formations of 21 per cent, 12 per cent and 11 per cent respectively. In contrast, the real estate, rental & leasing activities industry recorded a decline in business formations, from 210 in 1H07 down to 170

in 1H08. Similarly, information & communications, and arts, entertainment, recreation & other service activities industries reported declines in business formation (12 per cent and 10 per cent respectively).

The total number of business cessations increased by 1.0 per cent to reach 10,690 in 1H08. Education, health & social work, hotels & restaurants, and financial & insurance activities industries registered higher business cessations of 8.4 per cent to 14 per cent. On the other hand, the number of business cessations declined in the construction (13 per cent) and real estate, rental & leasing activities (10 per cent) industries.

CHART 2 FORMATION AND CESSATION OF BUSINESSES



Review of the Singapore Standard Industrial Classification and Singapore Standard Occupational Classification

As the national statistical co-ordinator, the Department of Statistics is responsible for national statistical classifications and for ensuring that they remain relevant for data producers and users. We are now in the process of reviewing and updating the Singapore Standard Industrial Classification (SSIC) and Singapore Standard Occupational Classification (SSOC) to reflect recent changes in economic activities and employment structure.

The review process for SSIC and SSOC commenced in the first quarter of 2008, with the preparation of the first draft of SSIC 2010 and SSOC 2010, using the appropriate international classification as the base and other countries' national classifications as references for discussion at the working level, and for deliberation by the Main Committee. This committee comprises representatives from stakeholder agencies such as Ministry of

Manpower, Central Provident Fund Board and the Economic Development Board. In addition, other government agencies such as the Monetary Authority of Singapore and the Building and Construction Authority are invited to share their knowledge and expertise in areas under their purview.

Besides seeking inputs from relevant Ministries, Statutory Boards, and organizations such as Chambers of Commerce, consultations with the United Nation Statistics Division and International Labour Organization will also be carried out to ensure that the revised SSIC and SSOC are aligned to international standards and best practices.

Both the SSIC and SSOC are scheduled to be completed by mid 2009, in time for the next Census of Population 2010. From now till then, we shall be happy to receive comments and suggestions on the revision of SSIC and SSOC.

Please contact Ms Ng Siew Siew at 6332-7715 or direct your feedback to

singstat_co-ord@singstat.gov.sg

Fast Facts on SSIC and SSOC

SSIC

- » Benchmarked against International Standard Industrial Classification Revision 4 (ISIC Rev 4)
- » Used extensively for censuses of population, household and establishment surveys, and in administrative databases
- » Last revised in 2005 for mid-decade General Household Survey 2005
- » SSIC 2005 is available for free downloading from the SingStat website via <http://www.singstat.gov.sg/statsres/ssc/ssic.html>
- » SSIC 2010 will be the 10th edition of the publication

SSOC

- » Benchmarked against International Standard Classification of Occupation 2008 (ISCO-08)
- » Used extensively for censuses of population, labour force surveys, and in administrative databases
- » Last revised in 2005 for mid-decade General Household Survey 2005
- » SSOC 2005 is available for free downloading from the SingStat website via <http://www.singstat.gov.sg/statsres/ssc/ssoc.html>
- » SSOC 2010 will be the 6th edition of the publication

Economic Surveys Series (Reference Year 2006)

The Singapore Department of Statistics conducts an annual survey on the services industries to collect a wide range of data for studies and analyses in this sector. The latest survey was conducted in 2007 for reference year 2006.

Results compiled from the Annual Survey of Services 2006 are presented in a series of seven reports, with the first six focusing on several services industries of importance to Singapore's economy, namely :

- *Food and Beverage Services*
- *Health Services*
- *Information and Communications Services*
- *Retail Trade*
- *Transport and Storage Services*
- *Wholesale Trade*

The final consolidated report, **The Services Sector**, provides a comprehensive performance review of the Services Sector.

In 2006, there were 138,000 establishments in the services sector (excludes government ministries & departments as well as banks and finance, securities & insurance companies), employing a total of 1,128,000 workers.

The services sector comprised mainly firms engaged in wholesale & retail trade, real estate & business services, and community, social & personal

services. These three main industries accounted for 79 per cent of total establishments.

The key indicators from the Economic Surveys Series 2006 are provided in the table below.

Softcopies of the full reports are available for free downloading via the SingStat website (www.singstat.gov.sg).

| Industry | No. of Estab-lishments | No. of Workers Employed | Operating Receipts | Operating Expenditure | Operating Surplus | Value Added |
|---------------------------------------|------------------------|-------------------------|--------------------|-----------------------|-------------------|--------------|
| | ('000) | | | | | |
| Food & Beverage Services | 5.0 | 75.3 | 4.7 | 4.5 | 0.3 | 1.6 |
| Health Services | 3.6 | 54.1 | 6.3 | 5.7 | 0.9 | 3.6 |
| Information & Communications Services | 5.9 | 62.4 | 26.0 | 23.2 | 4.1 | 8.5 |
| Retail Trade | 20.0 | 107.0 | 37.3 | 35.4 | 2.2 | 4.6 |
| Transport & Storage Services | 9.1 | 117.9 | 61.2 | 53.3 | 12.0 | 18.8 |
| Wholesale Trade | 35.4 | 234.4 | 1,027.4 | 1,006.4 | 22.4 | 35.3 |
| The Services Sector | 138.0 | 1,128.0 | 1,294.2 | 1,217.3 | 96.3 | 113.8 |

About the Annual Survey of Services (AS)

The AS comprises a series of 2006 surveys, namely :

- Wholesale Trade Survey
- Retail Trade Survey
- Hotels and Catering Survey
- Transport and Storage Survey
- Information and Communications Survey
- Financial- and Insurance-Related Services Survey
- Business Services and Real Estate Survey
- Community, Social and Personal Services Survey
- Non-Profit Organisations Survey

The objective of the surveys is to gather information on the services industries to enable in-depth analyses and understanding of the performance, structure and profile of this sector.

The data and analytical findings are used extensively for the compilation of national accounts, input-output tables and other related studies. In addition, the results are frequently used by policy makers, economic planners and academicians, the business community and researchers in their work.

More information on the scope and coverage of the surveys, as well as the concepts and definitions can be found in the individual reports.

Overseas Visitors

The Singapore Department of Statistics (DOS) received the following visitors over the past five months.

Topics that the visitors shared on included their country's statistical system and organizational structure, how they work in partnership with other agencies to deliver statistical outputs, as well as their experience in the conduct of Household Expenditure Survey and compilation of the Consumer Price Index (CPI).

Overviews of Singapore's statistical system, development of Singapore's national accounts and compilation of Gross Domestic Product by industry were presented.

Topics discussed included the use of IT in Singapore's Population Census and household survey, data collection modules/processes performed in the General Household Survey 2005, coordination of statistical activities, developing and promoting national statistical standards, concepts and definitions.

Other topics of interest included the compilation of CPI, Import and Export Price Indices in Singapore, maintenance of the business register, and DOS IT architecture for data collection, analysis and management.

Abu Dhabi

- *Emirate of Abu Dhabi Executive Council, General Secretariat*
- Mr Abdulla Ali Al Ahbabi
Director, Government Performance Management
- Dr Salih Ahmed Osaman
Manager, Research & Statistics Section

Australia

- *Australian Bureau of Statistics*
- Mr Peter Harper
Deputy Australian Statistician, Population, Labour, Industry and Environment Statistics Group

Cambodia

- *National Institute of Statistics*
- Mr Meng Kim Hor
Deputy Director of Census Department
- Mr Lim Penh
Deputy Director of Census Department
- Mr Sin Serey Vuth
Vice Bureau Chief
- Mr Chhun Bunnarith
Vice Bureau Chief
- Mr Sam Soksotheavuth
Vice Bureau Chief

China

- *National Bureau of Statistics*
- Mr Huang Langhui
Advisor

Sultanate of Oman

- *Ministry of National Economy*
- Mr Sabir Said Rashid Al-Harbi
Director General of Economic Statistics
- Mr Sulaiman Abdulrahim Alzadjali
Director General of Information and Publication Centre
- Mr Yousuf Abdullah Al-Ajmi
Head, Planning and Modern Techniques Section
- *Information Technology Authority*
- Ms Shariffa Al Meskary
Manager, International Relations

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The *Statistics Singapore Newsletter* is issued half-yearly by the Singapore Department of Statistics. It aims to provide readers with news of recent research and survey findings. It also serves as a vehicle to inform readers of the latest statistical activities in the Singapore statistical service.

Contributions and comments from readers are welcomed. Please address all correspondence to :

The Editor
Statistics Singapore Newsletter
 100 High Street #05-01
 The Treasury
 Singapore 179434
 Fax : 65 6332 7689
 Email : info@singstat.gov.sg



To use the "Data on SMS" service, simply key <data>space<option> and SMS to 74688. Use the following option codes to retrieve the statistical information you require :

| Main Topic | Option Codes for | | | Key Data |
|--|------------------|-------------|--|--|
| | Sub-Menu | Latest Data | | |
| National Accounts (At Current Market Price) | ma | a | a0 a1 a2 a3 | All Data GDP/GNI (A) Per Capita GDP/GNI (A) GDP (Q) |
| Population | mb | b | b0 b1 b2 | All Data Total/Resident Population (A) Live Births/Fertility Rate (A) |
| Prices | mc | c | c0 c1 c2 c3 c4 c5 c6 | All Data CPI/Inflation (A) CPI (M) Import Price Index (M) Export Price Index (M) Singapore Manufactured Products Price Index (M) Domestic Supply Price Index (M) |
| Services Statistics | md | d | d0 d1 d2 d3 d4 d5 d6 d7 | All Data Domestic Wholesale Trade Index at Current Market Price (Q) Foreign Wholesale Trade Index at Current Market Price (Q) Business Receipts Index (Q) Retail Sales Index at Current Market Price (M) Catering Trade Index at Current Market Price (M) Services Sector (A) Business Expectations of Services (Q) |
| Investment Statistics | me | e | e0 e1 e2 | All Data Singapore Investment Abroad/Direct Equity Investment (A) Foreign/Direct Equity Investment in Singapore (A) |

Note : A – annual data; Q – quarterly data; M – monthly data

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New Mobile Service – “Data on SMS” Service!

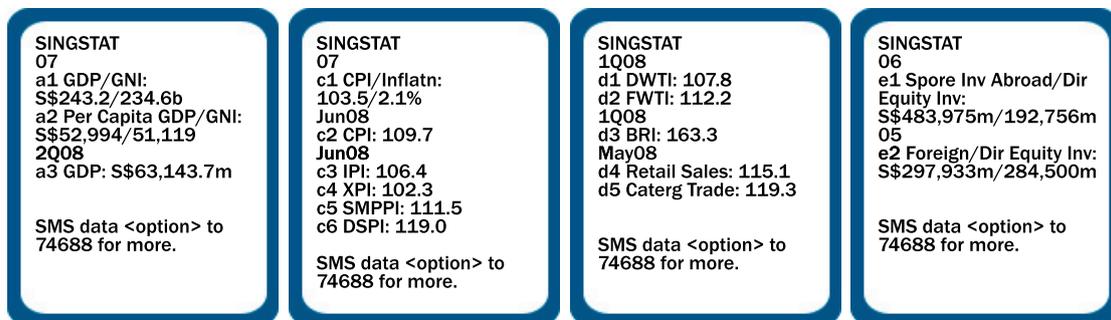
Launched in Aug 2008, this new mobile service is the latest addition to our Department’s suite of e-services, viz. : SingStat Express (Email and SMS notifications), Really Simple Syndication. The service is designed to serve the needs of data users who are on the move and need to obtain key statistics quickly at anytime of the day.

Data on national accounts, population, prices, services statistics and investment statistics are available for selection. For a full list of the options available for selection, please refer to the cut-out overleaf.

To stay informed of the latest key indicators of the Singapore economy & society, simply send **one** of the following messages to **74688** (or **SGOVT¹**) :

- <**data**> for main menu on available data category
- <**data**>space<**m**><**option**> for submenu of the selected category’s indicators
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Get a glimpse of some of the messages you will receive with this new mobile service from the screen shots below :



For more information on the service, go to

<http://www.singstat.gov.sg/svcs/dataonsms.html>

You are welcome to provide your comments or feedback on this new service by emailing us at info@singstat.gov.sg

1 Introduced in July 2006 by the Ministry of Finance and the Infocomm Development Authority, the 5-digit short code 74688 is a common number created for government mobile services. There is no charge for the use of the 74688 service. Normal SMS charges are levied by the telco where applicable.