Abstract

Economic activities in Iran is divided into 58 sections. System of National Accounts 2008 and classification of all economics activities "ISIC" or other classification such as, CPC, COFOG, COICOP,... are used for calculating national account. Also the regional accounts (for each province) are calculated. About 50% of (GDP) is allocated to services sector that compare to other sectors such as agriculture and industry, is a high share.

However, public opinion and even some politicians in the service sector in the national economy compared with other sectors "industry and agriculture" is not suitable.

Other service activities as a residual category includes activities with "activities of membership organizations", "repair of computers and personal and household goods", "other personal service activities". The share of value-added of other services between 58 sectors of economic activities in Iran at constant prices is about 2.5 percent.

This section as other services, has variety of many relevant activities. So gather information has high sensitivity with special problems.

This sector has high volumes of unorganized sector. For example in "hairdressing and other beauty treatment". In Iran surveys and registered statistics use for gathering data but because of the lack of suitable statistical framework, statistical implementation is very difficult. In this paper, these sectors according to ISIC REV4 present and compare with the ISIC REV3. how to collect data (census or registered data)from executive organizations, and what are the problems to access the accounts of this part of the services sector and the trends in this sector in Iran in recent year is shown.
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II. Introduction

Services compared to goods are intangible, simultaneous production and consumption, proximity to the customer. Service firms encompass a large portion of the economies of the industrialized nations. In Iran, the share of employees in this sector was 48.3 in 2014, and the share of services sector from GDP was 56.9 in 2015.

Considering the importance of the services sector, it is required to recognize the components of this sector that involve many activities and take appropriate and necessary actions to improve it. One of the components of the services sector is, other services that have variety in their activities and should be properly investigated. The share of other services sector from GDP in 2015, was 2.6. This section (as a residual category) includes the activities of membership organizations, the repair of computers and personal and household goods and a variety of personal service activities not covered elsewhere in the classification.

It is necessary to investigate statistical sources and data gathering problems, to remove obstacles with proper method.
III. Body of Text

A. Services sector in economy of Iran

Services sector plays an important role in Iran economy; so that in the recent years the value added of services sector can allocate more than 50 percent of the gross domestic output. Even though, perception to service sector is different in the process of development, but at the present time dominant sector of the global economies is service sector. In despite of higher share of service sector in Iran economy, the mentioned sector has been all the time interpreted as a nonproductive sector by some of policy makers and researchers. It seems that, such these perceptions in the case of service sector could not show a realistic image of the importance and role of this sector in the situation of economic evolutions.

With developing economy of Iran, the share of service sector in the gross domestic output and employment was higher than other sectors in the economy. Also, the statistics and comparative studies of structural changes in Iran economy show that the growth of the share of service sector in the gross domestic and national output and employment to other sectors during time, but the view of decision makers about this sector is always negative because of dominant structure of mediatory; although, nowadays, this sector is one of the productive and profitable sectors in the world and this sector can play a special role in improving economic system of the country studying these dimensions without presenting a new classification of services sector is not easily possible. For this reason, the territory of activities of services sector will classified into four sub-sectors of productive services, distributive services, personal services and social services.
With the help of input-output analysis, it has been attempted to evaluate the share of utilized services in various sectors in an economy.

Definitely, input-output analysis will be in the best framework for evaluating the share of utilized services in other sectors. C and C* vectors have specific application for planner of services sector. These vectors can be useful tools for planning in service sector as basis. C vector calculates the share of utilized services to the whole production X, where C* calculates the share of utilized services to the final demand.

Vector C is the direct services intensity, in fact it is necessary utilized productive services for producing one unit of goods or services by each sector and C* vector is the direct and direct plus indirect services intensity, in fact shows necessary utilized direct and indirect productive services for producing one unit of goods or services by each sector that allocated to final demand of the same sector.

If sectors of activities in economy of Iran are classified to 99 activities; In Iran C for other services is 0.015 and its rank among other activities is 40. C* for other services is 0.023 and its rank among other activities is 51.

\[ X = \sum_{i=1}^{n} x_{ij} f_{i} \]

Here X shows whole amount of production which has been produced by ith sector and \( x_{ij} \) shows production or goods and service by ith sector for production of jth sector or demand for intermediate trades, and \( f_{i} \) production of goods or services for production of ith sector which is directly can be reached by consumer or is final demands of ith sector.

Service intensity can be evaluated with various methodologies as below. Definite percept is that the demand for services is derived from manufacturing and it is dependent to this matter that utilized services intensity as index various definition from various view point can be considered as below: Net services intensity, gross services intensity, end-use intensity, manufacturing services intensity, non-manufacturing services intensity, industrial services intensity. Here two fundamental definitions of services intensity can be presented. The first type of direct industrial services intensity which is calculated from the share of utilized industrial services in production of \( S_{\text{ind}} \) to final demand F. first methodology \( C \times S_{\text{ind}} \) and second methodology is \( C^{*} F = S_{\text{ind}} \).

The ith sector can buy \( S^{*} \) services for its production. \( S_{\text{ind}} = \sum_{i}^{n} S^{*} f_{i} \) & \( C^{*} S \).

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1 - General form of input-output relation is \( X = \sum_{i=1}^{n} x_{ij} f_{i} \). Here X shows whole amount of production which has been produced by ith sector and \( x_{ij} \) shows production or goods and service by ith sector for production of jth sector or demand for intermediate trades, and \( f_{i} \) production of goods or services for production of ith sector which is directly can be reached by consumer or is final demands of ith sector.

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In Iran The share of value-added services in 2015 is 56.9% and for other services is 2.6% between economic activities.

B. Other services in "International Standard Industrial Classification of All Economic Activities"

In "International Standard Industrial Classification of All Economic Activities 4" (ISIC 4), other service activities section (as a residual category) includes the activities of membership organizations, the repair of computers and personal and household goods and a variety of personal service activities not covered elsewhere in the classification.

In ISIC3.1 other community, social and personal service activities, includes the activities of sewage and refuse disposal, sanitation and similar activities, activities of membership organizations n.e.c., recreational, cultural and sporting activities and other service activities.

<table>
<thead>
<tr>
<th>ISIC.3.1 Group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>90</td>
<td>Sewage and refuse disposal, sanitation and similar activities</td>
</tr>
<tr>
<td>91</td>
<td>Activities of membership organizations n.e.c</td>
</tr>
<tr>
<td>911</td>
<td>Activities of business, employers and professional organizations</td>
</tr>
<tr>
<td>912</td>
<td>Activities of trade unions</td>
</tr>
<tr>
<td>919</td>
<td>Activities of other membership organizations</td>
</tr>
<tr>
<td>92</td>
<td>Recreational, cultural and sporting activities</td>
</tr>
<tr>
<td>921</td>
<td>Motion picture, radio, television and other entertainment activities</td>
</tr>
<tr>
<td>922</td>
<td>News agency activities</td>
</tr>
<tr>
<td>923</td>
<td>Library, archives, museums and other cultural activities</td>
</tr>
<tr>
<td>924</td>
<td>Sporting and other recreational activities</td>
</tr>
<tr>
<td>93</td>
<td>Other service activities</td>
</tr>
</tbody>
</table>

Source: International Standard Industrial Classification of All Economic Activities Rev3.1
Comparison between ISIC 3.1 and ISIC4 indicates that "sewage and refuse disposal, sanitation and similar activities" and "recreational, cultural and sporting activities" have been removed from other services, and "repair of computers and personal and household goods" added to other services in ISIC 4.

Table 2. Comparison the classification of activities according to ISIC4 and ISIC3.1 for other service section

<table>
<thead>
<tr>
<th>Description</th>
<th>ISIC.3.1 Group</th>
<th>Description</th>
<th>ISIC.4 Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities of membership organizations n.e.c.</td>
<td>91</td>
<td>Activities of membership organizations</td>
<td>94</td>
</tr>
<tr>
<td>Activities of business, employers and professional organizations</td>
<td>911</td>
<td>Activities of business, employers and professional membership organizations</td>
<td>941</td>
</tr>
<tr>
<td>Activities of trade unions</td>
<td>912</td>
<td>Activities of trade unions</td>
<td>942</td>
</tr>
<tr>
<td>Activities of other membership organizations</td>
<td>919</td>
<td>Activities of other membership organizations</td>
<td>949</td>
</tr>
<tr>
<td>Maintenance and repair of office, accounting and computing machinery</td>
<td>725</td>
<td>Repair of computers and personal and household goods</td>
<td>95</td>
</tr>
<tr>
<td>Repair of personal and household goods</td>
<td>526</td>
<td>Repair of personal and household goods</td>
<td>952</td>
</tr>
<tr>
<td>Other service activities</td>
<td>93</td>
<td>Other personal service activities</td>
<td>96</td>
</tr>
</tbody>
</table>

Source: International Standard Industrial Classification of All Economic Activities Rev3.1 & Rev4

Since 2016, national and regional accounts in Iran are calculated by ISIC3.1 but it was planned to be used ISIC4 after it. Then in this paper will focus on ISIC3.1.

Because of the importance of some activities in Iran, in the form of data dissemination according to ISIC3.1, other services will be displayed as follows. Also the information of -division 95 - ("Activities of private households as employers of domestic staff") will be added to the other services(section o).
Table 3. Data dissemination according to ISIC3.1

<table>
<thead>
<tr>
<th>Group/ Class</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section O</td>
<td>other community, social and personal service activities</td>
</tr>
<tr>
<td>92</td>
<td>Recreational, cultural and sporting activities</td>
</tr>
<tr>
<td>919</td>
<td>Activities of other membership organizations</td>
</tr>
<tr>
<td>90-911-912-93-95</td>
<td>Other services</td>
</tr>
</tbody>
</table>

Source: The data dissemination standard in Iran

C. How to gathering the information from economic agents for any economic activities

C.1. Group 92: Recreational, cultural and sporting activities

Statistical sources are:

1- For the activities which their financing is done through the provision of services, the information are gathered by implementation of the survey. For example amusement parks, museums, sports complexes, etc.

2- For the activities that are classified in the government, government budgetary data used. For example: Physical Education Organization and the Cultural Heritage

3- For the household who has these activities at home, the result of Household Income and Expenditure surveys is used.

C.2. Group 919: Activities of other membership organizations

The information of this section can be obtained through implementation of the survey. Due to the cost of the implementation of the survey, it usually implements every 3-4 years. Between these years, provinces send the number of statistical units and statistical frame, then according to the price index, the results of implemented survey, and expert opinions, the result are estimated.
C.3. Groups 90-911-912-93-95: Other services

The main data and statistical sources for activities of trade unions (group 912) is implementation of the surveys. For some activities, statistical sources are Household Income and Expenditure surveys. like "Washing and (dry-) cleaning of textile and fur products", "Hairdressing and other beauty treatment", "Hairdressing and other beauty treatment", "Funeral and related activities". (groups 95-93-90). and for activities of business, employers and professional organizations, statistical sources are registered data that the main one is statement of financial position. (group 911)

The graphs below show the trend of input, output and value added in other services section.

Chart failure in 2010 due to economic restructuring in Iran.

Graph1. Input, output and value added in other services sector in Iran (1991-2015) million Rial

![Graph showing the trend of input, output and value added in other services sector in Iran (1991-2015) million Rial](chart.png)
Graph 2. Changes in the value added growth in other services sector 
(1991-2015) percent

D. Other services account access problems

The most important problem to access the other services account is to gathering the statistical data.
1-There is a variety of activities in this sector.
2-In this section, there are different statistical sources. That may not have the ability comparability.
3- The administrative agency do not cooperate to provide the registered data .
4- Statistical designs due to cost, implement every of 3-4 years.
5- Household Income and Expenditure surveys Just provide household data, then it may be an underestimate.
6- This sector includes the informal sector as well, especially in division 93 and there is no possibility of calculating them.

IV. Conclusion

1- the services sector has a significant share in the economy of Iran. For example, the share of employees in this sector was 48.3 in 2014, while this index for the manufacturing sector was 33.8 and for the agricultural sector was 17.9. In despite of higher share of service sector in Iran economy, the mentioned sector has been all the time interpreted as a nonproductive sector by some of policy makers and researchers.

2- Due to informal sector and problems to gathering data, the result are underestimated.

3- It is necessary that Statistical Center of Iran cooperate with the administrative agency to obtain the registered data through suitable method.

4- Since latest input-output table (2011) was calculated according to ISIC rev4, It is necessary that national and regional accounts change of ISIC3.1 to ISIC4 as soon as possible.

V. References
[1] International Standard Industrial Classification of All Economic Activities Rev3.1
[2] International Standard Industrial Classification of All Economic Activities Rev4