

Volume and prices for financial services

Abstract

Both Norwegian and international economy have been undergoing huge alterations the last couple of years. We especially saw this during the international credit crisis autumn 2008 with surprisingly big decreases in the gross domestic products that few could predict. A considerable part of the changes in the economy and reasons of the sub-prime crisis relates to the financial institutions. There has been a continual development of new instruments and ways of doing business in the financial sector. This also gives consequences for the National Accounts in the manner production, prices and volumes on these services are measured.

In this paper we will take a closer look on the measuring of prices and volume of financial services in Norway. The introduction starts with a description of today's situation and focus on possible problem areas. An example is, with exceptions of paid banking services and FISIM, that variances in employment are used as a measure for changes in volume for large parts of the financial services. There are no doubts that there is great potential for improvements and we will therefore further present a brainstorming/go through a range of ideas on how to measure the different services in the financial sectors. Thereafter we will review more specific some of these ideas. To get a better understanding of what affects these propositions will have on our figures we will do imputations with these methods on today's numbers. This will give us information so we can evaluate if it is appropriate with new and more detailed methods for price and volume measurement. Based on this we will in the end of the paper conclude and recommend suggestions to modifications in how to measure prices and volume for financial services.