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***UK OFFICE FOR NATIONAL STATISTICS: VOORBURG 2002***  
***CORPORATE SERVICES PRICE INDEX (CSPI)***

**VOORBURG 2002**

**PRINCIPAL PAPER:**

**ROAD FREIGHT**

**Nick Palmer - UK Office for National Statistics**

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## Service industries covered

### UK SIC: 60.24/9 Freight transport by road:

- i.e. excludes 60.24/1 (moving household/office furniture)

### CPC: 6423 Road transport services of freight:

- 64231 - by refrigerator vehicles
  - 64232 - by tank trucks or semi-trailers
  - 64233 - of containerised freight
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**Main characteristics of road freight services relevant to price collection**

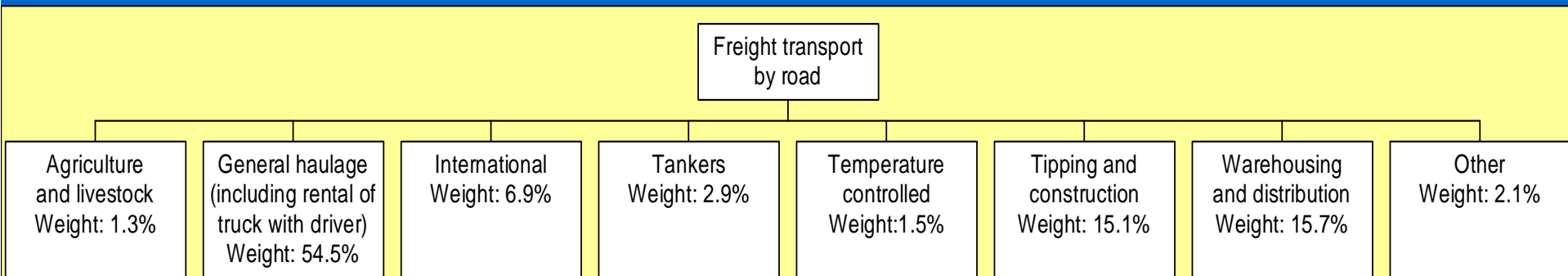
- size and type of vehicle
- nature and weight of cargo
- distance of journey and/or destination
- time criteria for delivery, if applicable
- client/customer reference
- any other special conditions

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## Industry structure

### Framework for price collection:



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## UK industry characteristics (1):

	<u>Total</u>	Of which (employees)		
		<u>0-9</u>	<u>10-99</u>	<u>100+</u>
Enterprises	33,747	30,070	3,484	193
Employment	264,968	65,811	83,409	115,748
Turnover (£m)	19,970	4,925	6,631	8,415
Percentage of total:				
By enterprises		89.1	10.3	0.6
By employment		24.8	31.5	43.7
By turnover		24.7	33.2	42.1
June 2002, UK				

## UK industry characteristics (2):

- 87% of operators have  $\leq 5$  vehicles
- 57% have only one vehicle
- average fleet size is 3.7

## UK industry characteristics (3):

- some in-house freight transport services
- 3rd party contractors move about 75% of all goods
- independent road hauliers own 80% of all vehicles over 35 tonnes

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**Large companies:**

- **increased range of related services, e.g:**
  - **storage and warehousing**
  - **freight forwarding**
  - **information management services**
  - **consultancy services**



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**Current sample (panel)**

<b><u>Employees</u></b>	<b><u>Total no. of units</u></b>	<b><u>No. in sample</u></b> <b><u>2002</u></b>
<b>0-9</b>	30,070	2
<b>10-19</b>	2,022	6
<b>20-49</b>	1,140	27
<b>50-99</b>	322	13
<b>100-299</b>	139	11
<b>300-499</b>	23	5
<b>500+</b>	31	13
<b>TOTAL</b>	<b>33,747</b>	<b>77</b>

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**Examples of items priced:**

<b>INDUSTRY SECTOR</b>	<b>DESCRIPTION OF SERVICE</b>	<b>Price for: Q1/2002</b>
<b>Agriculture and Livestock</b>	44 tonne articulated vehicle - full load, wheat from Lincoln to Girvan.	£455
<b>Tankers</b>	44 tonne articulated vehicle – full load, bulk powder from Teesside to Manchester.	£280
<b>Temperature Controlled Transport</b>	40 ft. articulated fridge box vehicle – 60 pallets of food coating from Banbury to Whittlesey.	£175
<b>Tipping and Construction</b>	38 tonne tipper vehicle – full load, coal from Cumnock to Longannet Power Station , Kincardine	£154

## Possible areas for improvement:

- rebasing
- increase in sample size/improving coverage
- more detailed indices within sector
- inclusion of large businesses not classified to road freight ?
- review of contract specifications and how they change

## Quality assurance survey 2001

- 90% of responders content with pricing method and its relevance
- 96% content with form and guidance notes
- 90% considered service categories reflected industry adequately
- 64% regarded price index was accurate reflection (varied opinions for those who did not)

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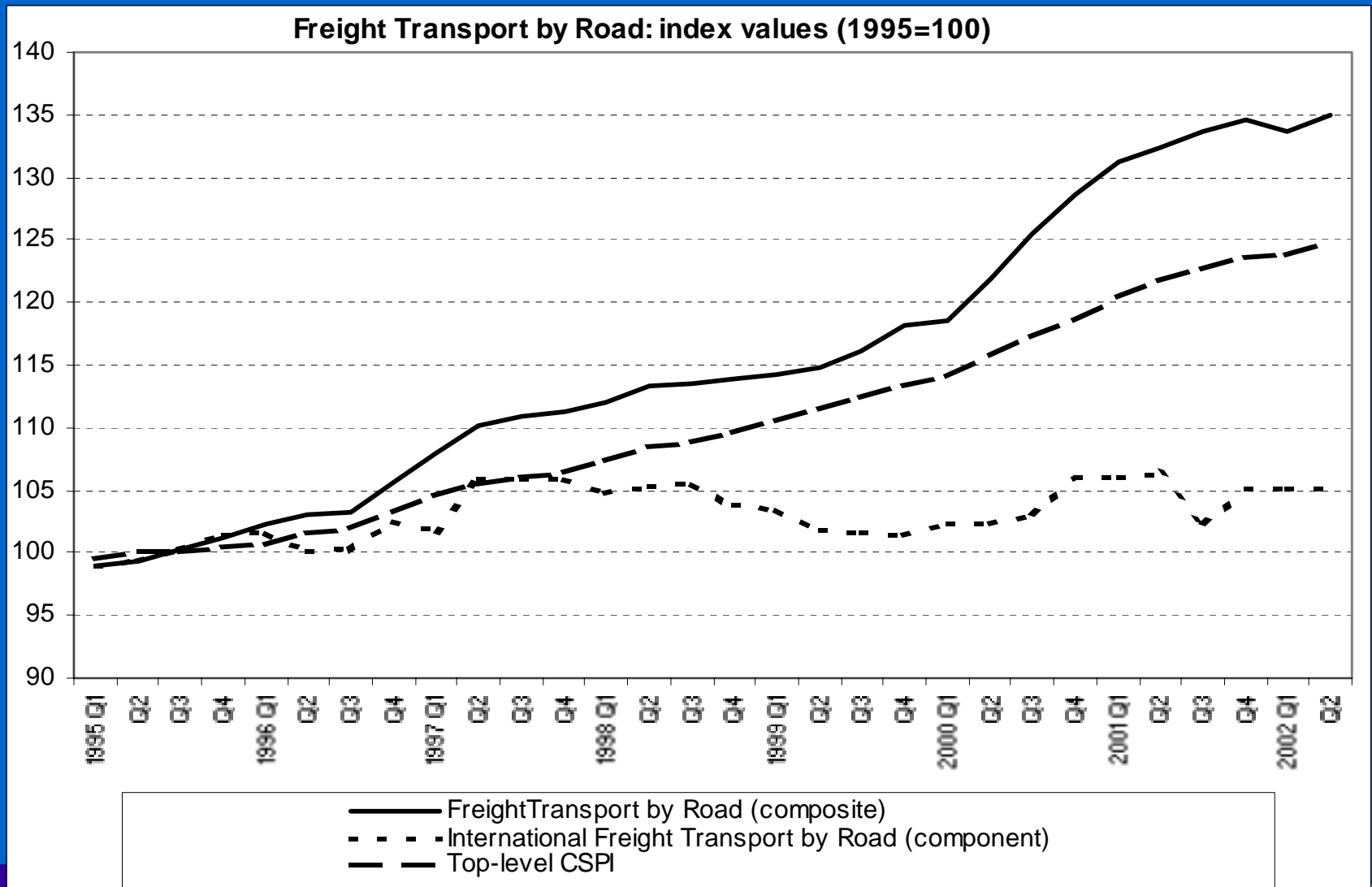
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## **Results**

- **available from Q1 1995**
- **used as a deflator in quarterly GDP and monthly Index of Services**

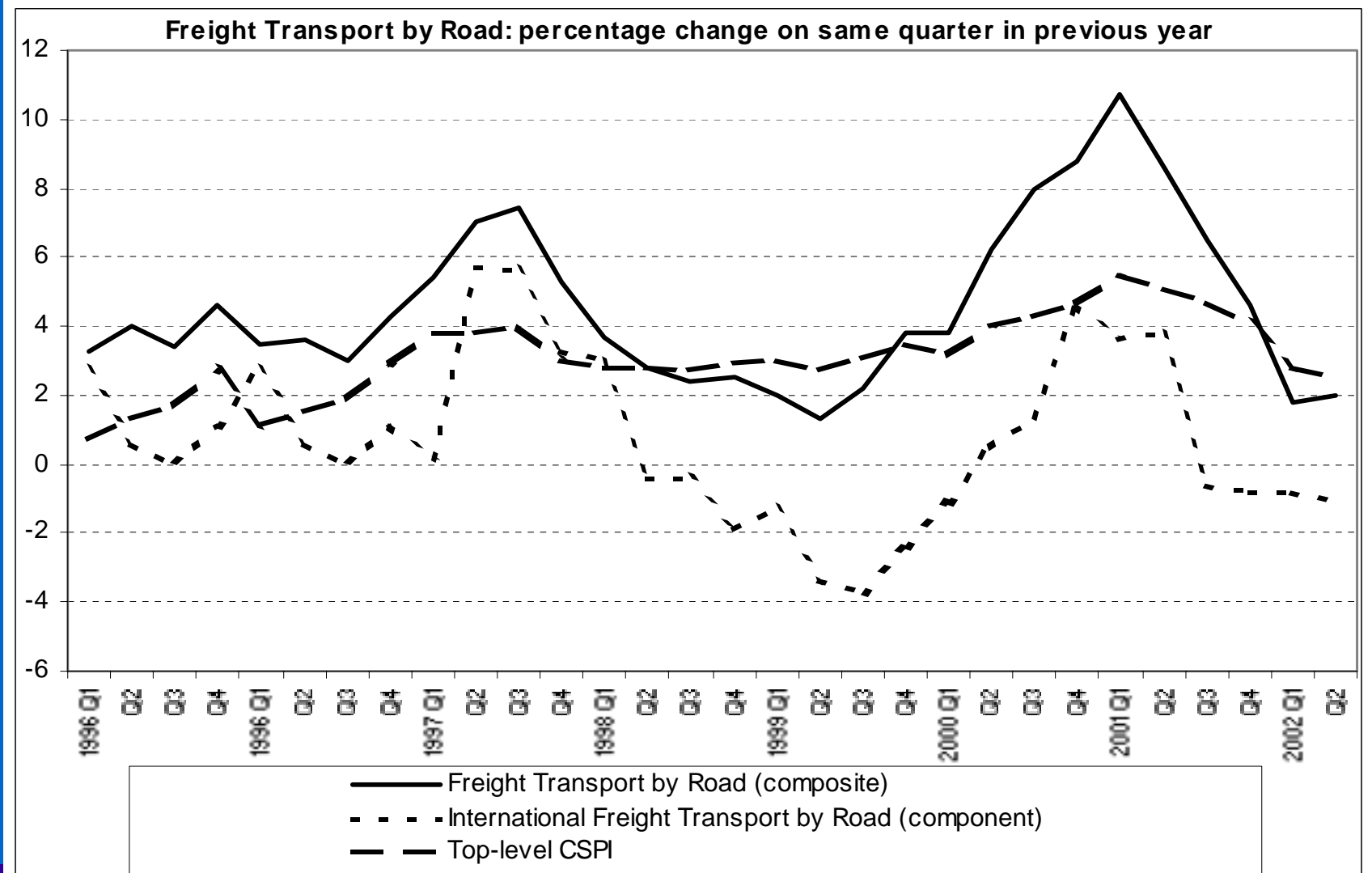
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**Other countries**

**Full appendices to principal paper for:**

- Australia**
- Netherlands**
- USA**
- New Zealand**



## Other countries: industry characteristics

- large proportions of small operators - esp for UK & Aus
- greater international activity for Ned & UK (60% of trip border-crossing for Ned)
- de-regulated, but many different legislative effects on prices related to safety, environment etc. - occasionally causing problems, e.g. NZ

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**Other countries: coverage**

- similar categorisation for all countries, i.e. using distance, type of vehicle, load
- all exclude corporations carrying out their own distribution
- inter-modal/logistics and other, related services generally excluded
- furniture removals included, except for UK
- overlap with courier services in Aus & NZ ?

## Other countries: price collection methods

- **mostly specification and contract pricing (prices per trip based on specific rates for type of load)**
- **Ned also use model prices**
- **US also include spot hire, list and tariff prices (little account of spot hire for UK and Aus)**

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## Summary

- well-established price indices
  - similar industry structures and service categorisation, so similar publication structures possible (referenced to CPC)
  - most limitations minor and rectifiable, e.g. increasing samples
  - stability of service specifications (quality adjustment not a major problem)
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