

18th Voorburg Group Meeting on Service Statistics

6 – 10 October 2003, Japan

Producer Price Index (PPI) for Sea Freight Transport

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Introduction

At present, 11 PPI series are published viz.

- *hotels and boarding houses*
- *telecommunications*
- *miscellaneous communication services*
- *air transport*
- *land transport*
- *maritime transport*
- *storage*
- *rental of machinery and equipment*
- *real estate maintenance management, brokerage and agency services*
- *stock, commodity and bullion brokerage services*
- *legal, accounting, auditing and bookkeeping services*

Coverage

At present, PPI is only published for the maritime transport sector as a whole covering both sea passenger transport and part of sea freight transport services.

PPI for sea freight transport services alone is not separately published.

Industry Profile (1)

In 2001, in sea freight transport services,

		<i>Small Est.</i>	<i>Medium Est.</i>	<i>Large Est.</i>
<i>No. of Establishment</i>	<i>6200</i>	<i>85%</i>	<i>13%</i>	<i>2%</i>
<i>No. of persons engaged</i>	<i>49 400</i>			
<i>Business receipts and other income</i>	<i>HK\$ 88 billion (or US\$ 11 billion)</i>	<i>56%</i>	<i>25%</i>	<i>19%</i>

Industry Profile (2)

In recent years,

- logistics services as a total solution to customers
- distinction between air, road and sea freight transport services becomes less obvious
- all-round freight-related services providers offering the following services:
 - *order processing*
 - *warehousing*
 - *assembling and packaging*
 - *distribution*
 - *customs clearance*
 - *inventory control*
 - *repair and return services*
 - *logistics consultancy services*

Data Collection (1)

Respondents are asked to supply the quarterly averages of actual transaction prices for service products with the following price-determining parameters:

- *origin and destination*
- *single or round trip*
- *size of container (i.e. charge per twenty-foot or forty-foot equivalent unit)*
- *type of cargo (general, dangerous or refrigerated)*
- *weight or volume for non-containerized cargo (i.e. charge per tonne / kg / m³ / box)*
- *type of transport equipment (i.e. charge per truck / vessel)*
- *need for other services (e.g. loading / unloading, stuffing / stripping, container haulage & leasing, storage, documentation, etc.)*
- *frequency (i.e. charge per hour / week / month)*

Data Collection (2)

The following are also collected:

- total amount of business receipts during the reference quarter
- receipts (or % of total business receipts) in respect of individual major **service products**; and
- the corresponding product specifications.

Compilation

The PPI is aggregated from the lowest (establishment) to the highest (broad service industry group) level using chained Laspeyres Index method.

The chained index with weights updated every year is considered the most appropriate for compiling PPI given the rapid changes of service products over time.

Limitations and Difficulties in Data Collection

- *Selection of Service Products and Items*
- *Reporting of Price Relative*
- *Replacement of Reported Service Products and Items*
- *Quality Changes*

Release and Revision

To cater for late returns and data correction by respondents, PPI of the last one quarter $q-1$ is revised and released when provisional PPI of quarter q becomes available.

Quarter $q-1$ figures are said to be final after revision in quarter q .

THANK YOU!