
Cargo Handling, Storage and Warehousing

New Zealand Producers Price Index

Introduction

- **Stats NZ currently redeveloping its Business Price Indexes.**
- **Will be redeveloping cargo handling and storage warehousing services.**
- **Will outline description of indexes at present.**



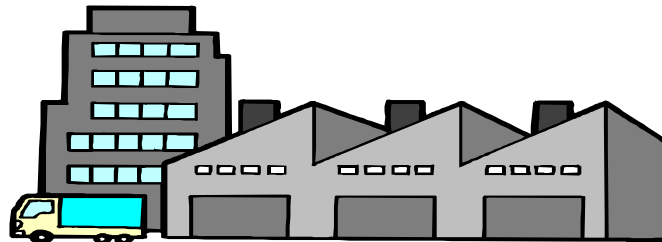
Industry Output

- **Australian and New Zealand Standard Industrial Classification System (ANZSIC96) used for Stats NZ PPI.**
- **Work currently underway on updated version of ANZSIC in 2006.**
- **Commodity classifications will be moved from ANZSCC96 to ANZSPC01.**



Industry Output cont.

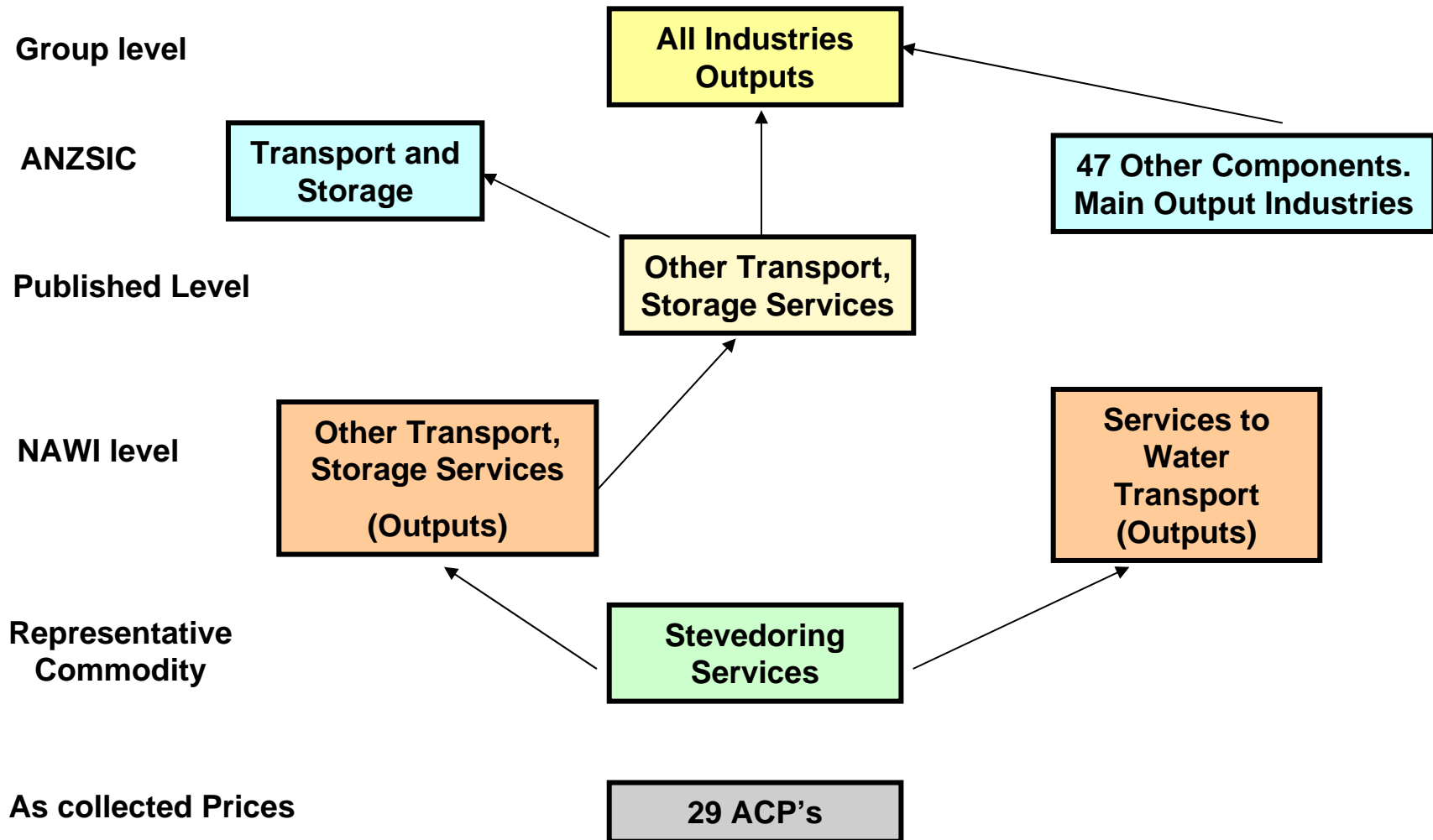
- **Storage services : units mainly engaged in providing storage and warehousing services nec.**



- **Cargo handling falls under main representative commodity stevedoring services.**
- **Stevedoring services : units mainly engaged in the provision of labour for (un)loading of vessels.**



Flowchart of Cargo Handling in the PPI



Index and Pricing Methodology

- **Three approaches used to price services in PPI**
 - **Model Price**
 - ◆ *Most accurate and most representative, gives detailed specifications for the provision of the service*
 - **Priced Service**
 - ◆ *Standardised and gives a direct collection of detailed specifications*
 - **Charge-out rate**
 - ◆ *Represents the price of the service with the charge-out rate of the person providing the service*

- **Storage and stevedoring services use a combination of charge-out rates and standardised prices.**
 - **Eg. CARGO HANDLING: HIRE OF 3 TO 7.5 TON MOBILE CRANE DURING ORDINARY WORK HOURS CHARGE-OUT-RATE PER HOUR (INCL LABOUR)**

Sampling and weights

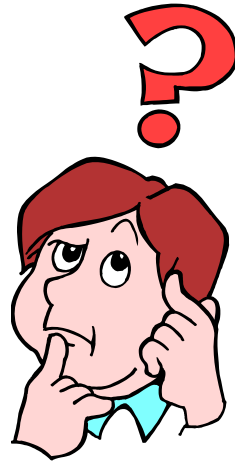
- **Weights for items obtained from either respondents in sample or where information not available equal weights assigned.**
- **Weights based on contribution of item (or commodity) included in sample to total income or expenditure.**
- **New Zealand sums PPI weights to 10,000 for calculation purposes and expresses them as percentages.**
- **Update of current weights will be addressed in redevelopment process.**



Issues on Maintaining Constant Quality

- Factors affecting characteristics of product or service or volume of production, regarded as quality/quantity issue, removed from price movement.
- Eliminate affect that quality change has on price without interfering with measurement of true price movement.
 - *Eg In stevedoring services use charge-out-rates of stevedore. If stevedore works more hours, but salary remains unchanged, would reflect in index. Show drop in wage rate as drop in pay rate due to working longer hours for same amount of money.*





Questions?

