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Mini–presentations on SPPIs for “Warehousing and support activities” in France

**ISIC 4.0 : 520
NACE rev.2 : 52.0**

Jean-Pierre Bachelart, Insee, France

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Introduction.

In France, in the class 52.0 (ISIC 4.0), SPPIs are produced only for the two following sub-classes :

- *Warehousing and storage* (ISIC 4.0 : 5210 ; NACE Rev 2 : 52.10),
- *Cargo handling* (ISIC 4.0 : 5224 ; NACE Rev 2 : 52.24).

New SPPIs will soon be created in the sub-class *Service activities incidental to land transportation* (ISIC 4.0 : 5221 ; NACE Rev 2 : 52.21).

Warehousing and storage, on the one hand, and *cargo handling*, on the other hand, are two activities that occur between two sequences of transportation. The features of each of these two activities and consequently of the service being priced depend on the means of transportation which are used before and after.

1. Definition of service being priced

52.10 - Warehousing and storage.

Companies need to store the goods that they produce in locations where they are protected before their delivery to their clients : it is the business of the companies that are classified here to provide this service.

The goods can be stored variously, and we can define different groups. Some are stored in bulk : cereals, grains, ore (iron, coal,...), but also others, bigger ones as wood, metallurgical products, machines or cars. Some are stored in pallets or containers ; at last, fluids as chemicals or petroleum products are stored in tanks. Food products can be stored in warehouses which are refrigerated or not.

The companies classified in this industry provide spaces for the storage of the goods for a determined period and with a specific contract. They often provide services in addition to the space given to their client : the entry/exit of the storage space is nearly always included in the service, and sometimes palletization, containerization or freezing for food products.

When the client is a company that sells by mail-order, stock management, order picking, packing and loading are often included in the service.

Petroleum products are stored in tanks, with pipe lines for the filling in/out, and very often, the service includes the treatment of these products with additives and colorants.

52.24 - Cargo handling.

To carry goods from one place to another, it is often necessary to use several means of transportation ; in every stage, goods are handled. Cargo handling occurs in the ports, airports, railway stations or hubs.

In the ports, goods are handled from a platform to a ship, or a river barge, or a train, or a truck and vice versa.

The services offered depend on the goods handled and the way they are packed, containers, pallets or tanks. The service can be the handling of goods as they are, in pallets or containers, or in bulk. The treatment, palletizing, or containerization can be included.

2. Unit of measure to be priced

52.10 - Warehousing and storage.

The unit of measure of the price depends on the service provided ; when the goods are stored in pallets, the common practice of the companies is to set two prices : first, a price for the entry/exit of a pallet and secondly, a price for the duration of the the storage of a pallet (day, month, year). If the goods are palletized food products and stored in a refrigerated warehouse, it is generally the same ; sometimes, the price is set according to the weight (by ton) if the freezing is included in the service provided.

Cereals, grains, minerals or non palletized food products are stored in bulk : the price depends on the weight (kg or ton) ; for wood in bulk, it depends on the volume (m³). For large-sized goods, the price is generally set according to the occupied surface or volume.

The storage of parcels includes stock management, order picking, packing and loading ; there are several prices, a price by order line, or by parcel (input/output), or a price using hourly rates (packing).

Chemicals and petroleum products are stored in tanks ; the prices set depend on the occupied volume (m³) by class and time : for instance, less than 100 000 m³ for a year. For heavy fuel oil, it depends on the weight (tons), by class and time : for instance, less than 100 000 tons for a year. Sometimes, the treatment with additives and colorants is included and we cannot separate the price of the storage and the one of the treatment.

52.24 - Cargo handling.

The price of dock work of containers or pallets is generally a flat rate by container or pallet, whatever the origin or the destination of the handling, river barges, boats, trains, trucks. Very often, operations such as stevedoring or picking, are bundled with handling, and they are included in the price.

The price of the service of cargo handling of goods in bulk is specified according to the weight (price per ton) or the volume (price per m³). It depends on the type of cargo handling and it is different when the goods are loaded in a truck, a ship, or a train.

The price of the service of loading/unloading cars or vehicles from roll-on roll-off ships is set per car or it is an hourly wage-out rate.

The price of railroad handling, for instance the reorganisation of railway carriages to constitute a new train, is fixed for the operation.

Sometimes, companies do not want to give the price of a transaction ; in this case, we agree that the company gives us an indice of change, compiled from the first survey.

3. Market conditions and constraints

The clients of the companies of these industries are traders or freight forwarders.

Some companies are classified in the two industries ; others are monoindustry. They are specialized according to the products they store or handle, petroleum products, food products, bulk goods,... The place where they are performing, ports, airports, railway stations also determine their specialization.

52.10 - Warehousing and storage.

The companies in the sample are those whose turn-over is greater than 8,5 millions € : it represents around 70 % of the turnover of this industry.

72 enterprises are in the sample of the survey. The prices of 248 transactions are collected to compile the indice of this industry.

The class 52.10 of the NAF 2008 Rév 2, the standard French classification built from the European NACE Rév 2, is divided into two sub-classes :

52.10A - Refrigerated warehousing and storage.

The companies of this industry have their main activity in the same class (52), in transport (49) or in food-processing (10).

product	turnover (k€)	percent	sector
5210A	763 422	61%	5210A
5210A	263 745	21%	5210B
5210A	72 506	6%	1011Z
5210A	146 547	12%	others
5210A	1 246 220	100%	TOTAL

Source : ESANE survey 2011

52.10B - Non-refrigerated warehousing and storage.

The companies of this industry have their main activity in the same class (52), in transport (49) or in different other classes.

product	turnover (k€)	percent	sector
5210B	7 457 422	83%	5210B
5210B	397 354	4%	5229B
5210B	246 452	3%	4941A
5210B	149 776	2%	2229A
5210B	777 811	9%	others
5210B	9 028 816	100%	TOTAL

Source : ESANE survey 2011

52.24 - Cargo handling.

The companies in the sample are those whose the turn-over is greater than 5 millions € : it represents around 70 % of the turnover of this industry.

52 enterprises are in the sample of the survey ; the prices of 145 transactions are collected to compile the indice of this industry.

The class 52.10 of the NAF 2008 Rév 2, the standard French classification built from the European NACE Rév 2, is divided into two sub-classes :

52.24A - Dock work.

The companies of this industry have their main activity in the same class (52),

product	turnover (k€)	percent	sector
5224A	1 105 166	90%	5224A
5224A	53 642	4%	5222Z
5224A	18 949	2%	8121Z
5224A	14 823	1%	5224B
5224A	35 272	3%	others
5224A	1 227 852	100%	TOTAL

Source : ESANE survey 2011

52.24B - Other handling.

The companies of this industry have their main activity in the same class (52), or in transport (49) or in different other classes.

product	turnover (k€)	percent	NAF
5224B	686 989	77%	5224B
5224B	79 470	9%	4941A
5224B	34 243	4%	5229B
5224B	90 404	10%	others
5224B	891 106	100%	TOTAL

Source : ESANE survey 2011

4. Standard classification structure and product details/levels

Standard classification of the class 52 :

52 Warehousing and support activities for transportation

52.1 Warehousing and storage

52.10 Warehousing and storage

52.2 Support activities for transportation

52.21 Service activities incidental to land transportation

52.22 Service activities incidental to water transportation

52.23 Service activities incidental to air transportation

52.24 Cargo handling

52.29 Other transportation support activities

52.10 - Warehousing and storage.

Detailed description of the class 52.10 :

This class includes:

- operation of storage and warehouse facilities for all kinds of goods:
- operation of grain silos, general merchandise warehouses, refrigerated warehouses, storage tanks etc.

This class also includes:

- storage of goods in foreign trade zones
- blast freezing

This class excludes:

- parking facilities for motor vehicles, see 52.21
- operation of self storage facilities, see 68.20
- rental of vacant space, see 68.20

The prices collected are classified in sub-groups to constitute the aggregation tree as follows :

100 - refrigerated warehousing

1000 - fresh and refrigerated food products

1010 - fresh food products

1020 - refrigerated food products

200 - non refrigerated warehousing

2000 - food products

2010 - wine, alcoholic beverages and spirits

2020 - other food products

2030 - cereals and grains (including flours)

- 3000 - frequently purchased non-food goods
 - 3010 - frequently purchased non-food goods
 - 3020 - pharmaceuticals
- 4000 - intermediate and capital goods
 - 4010 - palletizable industrials products
 - 4020 - non-palletizable large-sized products (machines, car, ...)
 - 4030 - solid bulk goods (including building materials and row wood)
 - 4040 - products in tank (oil, chemicals,...)
 - 4090 - other intermediate and capital goods

52.24 - Cargo handling.

Detailed description of the class 52.24 :

This class includes:

- loading and unloading of goods or passengers' luggage
irrespective of the mode of transport used for transportation
- stevedoring
- loading and unloading of freight railway cars

This class excludes:

- operation of terminal facilities, see 52.21, 52.22 and 52.23

The prices collected are classified in sub-groups to constitute the aggregation tree as follows :

100 - dock work

1000 - sea dock work

- 1010 - containers
- 1020 - palettized manufactured products
- 1030 - dry bulk : grains and cereals
- 1040 - other dry bulk
- 1050 - cars
- 1090 - other products (wood, petroleum products,...)

2000 - other dock work

- 2010 - from platform to truck (and vice-versa)
- 2020 - from platform to train (and vice-versa)
- 2030 - from platform to river barge (and vice-versa)

200 - other handling

3000 - airport handling

3010 - airport handling

4000 - other handling

4010 - road handling

4020 - railway handling

4090 - other handling

5. Evaluation of standard vs. definition and market conditions

52.10 - Warehousing and storage.

Some examples of transactions for which the price is collected :

- o Non refrigerated warehousing of food products in pallets, 3-year contract, price per pallet for a week, large-scale food retailing
- o Refrigerated warehousing (-20°C) of food products in pallets and picking with pallet truck, price for one input or one output per pallet, food-processing industry, annual contract
- o Refrigerated warehousing (-20°C) of food products in pallets, price per pallet per day, food-processing industry, annual contract
- o Automobile spare parts warehousing, price per m2 for a year, car manufacturers
- o Chemicals or petroleum derived products, in bulk, input or output in situ, price per m3, contract 1-15 years

52.24 - Cargo handling.

Some examples of transactions for which the price is collected :

- o Dock work of containers, loading or unloading from platform to ship, price per container, annual contract with shipowner, shipping companies
- o Loading of bulk coal from platform into truck, weighing, price per ton for more than 600 kt
- o Dock work of cars, loading or unloading from platform into roll-on roll-off ship, price per car including picking and stevedoring during the week, 1-year contract

6. National accounts concepts and measurement issues related to GDP measurement

To build the general supply and use table, two indices are available, previously calculated by the Ministry of Ecology, Transport and Energy: a volume indice IPST (*indice de production de services de transport*, transportation services index) and a price indice IPTFE (*indice des prix du transport de fret et de l'entreposage*, freight transport and storage price indice). When they are available, they are systematically used, but the price index, now calculated by INSEE, is preferred.

2008 amounts

	52.10A Refrigerated warehousing and storage	52.10B Non- refrigerated warehousing and storage	52.24 Cargo handling
production at basic price	1088	7976	2411
imports			579
SUPPLY	1088	7976	2990
intermediate consumption	1088	7976	2499
exports			491
USE	1088	7976	2990

7. Pricing methods and criteria for choosing various pricing methods

In those two industries, it is frequent that the companies conclude contracts with their clients that stretch over one year or more. The price of the transaction depends on the goods they handle, on the quantity handled and on the facilities used.

So, for warehousing and storage of pallets and containers, as for handling, the price set is a quarterly average that generally stretch over a year. It follows the evolution of the change in the costs recorded by the enterprise.

When there is no standard, for instance the large-sized goods stored in bulk, a model transaction is defined when the field engineer interviews the company before the survey to choose together the significant transactions.

The prices of the storage of chemicals or petroleum products is set according to the occupied volume. The price per m³ is different if the occupied volume is

large, it is also different according to the client, a big company has a different price than a small one. The requirement of treatment with additives or colorants will also increase the price. The contracts stretch over several years (sometimes ten years), and the quality issue must not be forgotten.

The price of handling of metallurgical products (iron sheet, iron roll) is set per ton ; the price is different if the client is a big company.

For car handling, the price collected is based on an hourly charge-out rate.

8. Dissemination

Since 2013 Q2, indices are disseminated in reference 2010.

French services producer price indices sold to French businesses (BtoB) - Basic price - CPA 52.10 - Warehousing and storage services - Reference 2010

French services producer price indices sold to French businesses (BtoB) - Basic price - CPA 52.24 - Cargo handling services - Reference 2010

