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CAR RENTAL



Producer Price Indexes for Services Industries

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Content of presentation

Car Rental Services in Austria

- Classification aspects
- Structure and size of service sector 71.1
- Definitions
- Service producers in sector 71.1
- Number and size of enterprises by employees and turnover
- Classification of cars by industry standard car classification code
- Price determining factors I and II
- Car rental in the Austrian CPI
- Planned pricing methods
- Stratification by enterprise
- Stratification by car class and type of customer
- Next steps

Classification aspects

ÖNACE 71.1: Renting of automobiles

- ÖNACE 71.10-01: Leasing of motor vehicles up to 3,5 tons
 - ÖCPA 71.10-01: Leasing services of private cars and light vans, up to 3,5 tons, without driver
- ÖNACE 71.10-02 : Renting of motor vehicles up 3,5 tons
 - ÖCPA 71.10-02: Rental services of private cars and light vans, up to 3,5 tons, without driver

Structure and size of service sector 71.1



ÖNACE code	Description	Share of the Production value of ÖNACE 50 - 93 2001	Share of the turnover of ÖNACE 71.1 2001
71.1	Renting of automobiles	0,98%	
71.10-01	Leasing of motor vehicles up to 3,5 tons		80,23%
71.10-02	Renting of motor vehicles up to 3,5 tons		19,77%

Definitions

71.1 Rental of automobiles		
Car rental	Car leasing	
	Operating Leasing	Financial Leasing
	included	excluded

ESA-definition of financial leasing

Lessor provides the lessee with a loan enabling the lessee to purchase a durable good of which the lessee becomes the *de facto* owner. Thus, the System treats the durable good as if owned by the lessee from the beginning of the leasing period. Rentals actually paid by the lessee to the lessor have to be subdivided into repayments of principal and interest payments related to the imputed loan.

Service producers in sector 71.1

- Primary data source: Structural Business Survey (2001)

Structural Business Survey (2001)			
ÖNACE code	Companies	Turnover in 1000 €	Personnel
71.1	249	1.378.025	1.561
71.10-01	n.a.	~80%	n.a.
71.10-02	n.a.	~20%	n.a.

- Provisional data source: Austrian Federal Chamber of Commerce

Number and size of enterprises by employees and turnover



Employees	Number of enterprises	Share of turnover 2001
1 – 4	207	44,8%
5 – 9	13	
10 – 19	10	
20 – 49	8	55,2%
50 – 99	8	
100 – 249	2	

Classification of cars by industry standard car classification code



CLASS	TYPE	TRANSMISSION	AIR CONDITION
M Mini	B 2-Door	A Automatic	R Yes
E Economy	D 4-Door	M Manual	N No
C Compact	C 2/4-Door		
I Intermediate	W Wagon/Estate		
S Standard	V Van (passenger)		
F Full-Size	L Limousine		
P Premium	S Sport		
L Luxury	T Convertible		
X Special	F 4-Wheel Drive		
	P Pick Up		
	J All Terrain		
	K (Van Cargo)		
	X Special		

e.g.: **ECMN** = Economy Car – 2/4 Door – Manual Transmission – Non air conditioned
= VW Polo, Renault Clio, Ford KA

Price determining factors I



➤ Major factors:

- Class of automobile: e.g.: ECMN; Economy; A
- Duration and day of renting: e.g.: 1 hour; 1 day
- Consumed kilometres: flat rate or additional kilometres
- Type of client: e.g.: business; government; private

Price determining factors II

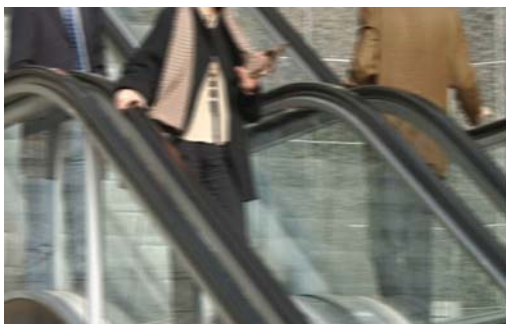


➤ Additional factors:


- Fee for drivers under the age of 25
- Insurance fees for trips to certain countries (Eastern Europe)
- Fee for renting the car at the airport
- Fee for renting the car at one station and returning it at another
- Fee for renting the car in the winter

Car rental in the Austrian CPI

- Car rental is included in the CPI since 2000 with a weight of 0,0426
- The sub-index of COICOP subgroup 07.2.4 is called "Other services (private means of transportation)"
- The sample comprises 9 cars
- Prices are collected in 4 enterprises



Planned pricing methods

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- Pricing of non-unique services (Item pricing method)
 - Unit value prices

Stratification by enterprise

1. Enterprise A

Business	Car class	Car class	Car class	Car class	Car class
Household	Car class	Car class	Car class	Car class	Car class
Government	Car class	Car class	Car class	Car class	Car class

Aggregation with the shares of representative services in each enterprise

2. Enterprises



3. Aggregate Renting of Automobile services

Aggregated with the turnovers from each enterprise

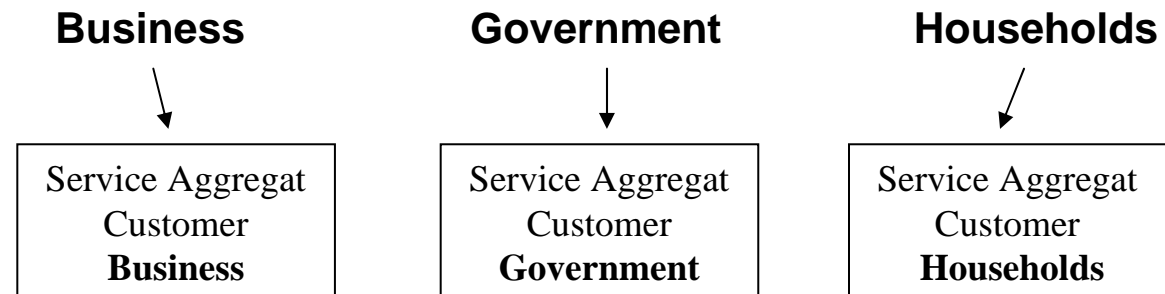
Index for Renting of Automobiles

Stratification by car class and type of customer

1. Car class

Car class M	Enterprise 1	Enterprise 2	Enterprise 1	Enterprise 2	Enterprise 1	Enterprise 2
Car class E	Enterprise 1	Enterprise 2	Enterprise 1	Enterprise 2	Enterprise 1	Enterprise 2
Car class C	Enterprise 1	Enterprise 2	Enterprise 1	Enterprise 2	Enterprise 1	Enterprise 2

2. Customer




Aggregated with revenues for each customer category for all enterprises

3. Aggregate Renting of Automobile Services

Index for Renting of Automobiles

Next steps

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- To clearly distinguish between business, government and private customers in order to produce an overall PPI for ÖNACE 71.10-02
 - To derive a weighting scheme for types of customers and car groups in cooperation with the selected enterprises
 - To ensure the regular cooperation of selected enterprises
 - To collect the prices and to install a survey routine
 - To start the preparatory work for "Leasing of motor vehicles up to 3,5 tons"
 - To compile a joint index for total "Renting of automobiles"
 - To investigate methods and procedures to be used for quality adjustments