

**Mini-Presentation on SPPI
for
Rental and leasing of cars and light
motor vehicles
(ISIC 7710/NACE 77.11 and 77.12)**

*Agnieszka Matulska-Bachura
Beata Cebula
Trade and Services Department*

**35th Voorburg Group Meeting,
Helsinki,
24th -25th September, 2020**

Content:

Description and characteristics of the industry

Definition of the industry

Market conditions and constraints

Measurement of SPPI

General framework

Measurement issues

Description of pricing methods and criteria for choosing the method

Evaluation of measurement

Description and characteristics of the industry

- Definition of the industry
- Market conditions and constraints

Description and characteristics of the industry

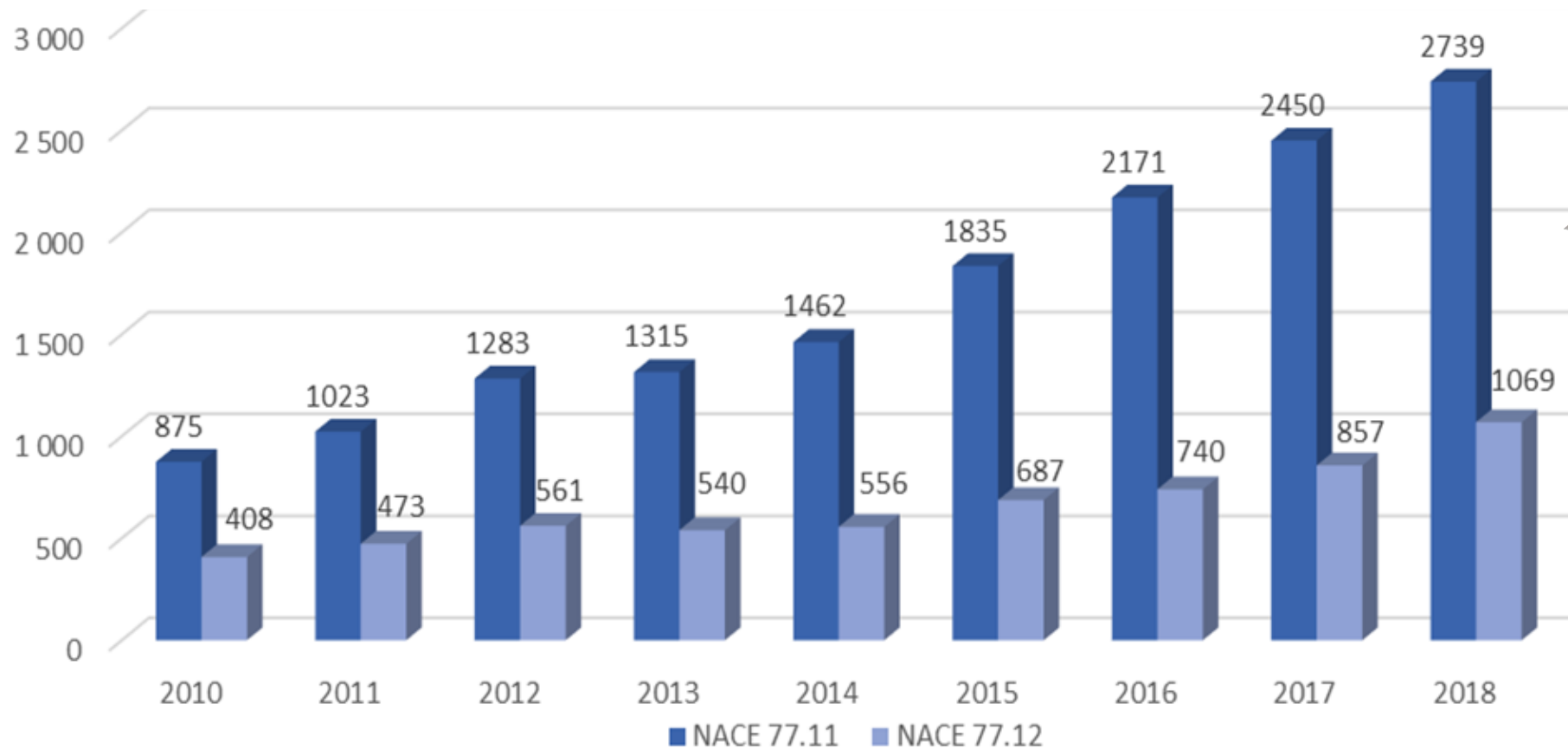
- Definition of the industry

According to the ISIC Rev. 4 the renting and leasing of motor vehicles is classified into the class **7710 Renting and leasing of motor vehicles (ISIC Rev.4)** while in the NACE Rev.2 Renting and leasing of motor vehicles are classified into two classes:
77.11 Renting and leasing of cars and light motor vehicles
77.12 Renting and leasing of trucks

Description and characteristics of the industry

■ Market conditions and constraints

Graph 1 Number of enterprises with the core activity in NACE 77.11 and 77.12 in Poland in years 2010-2018

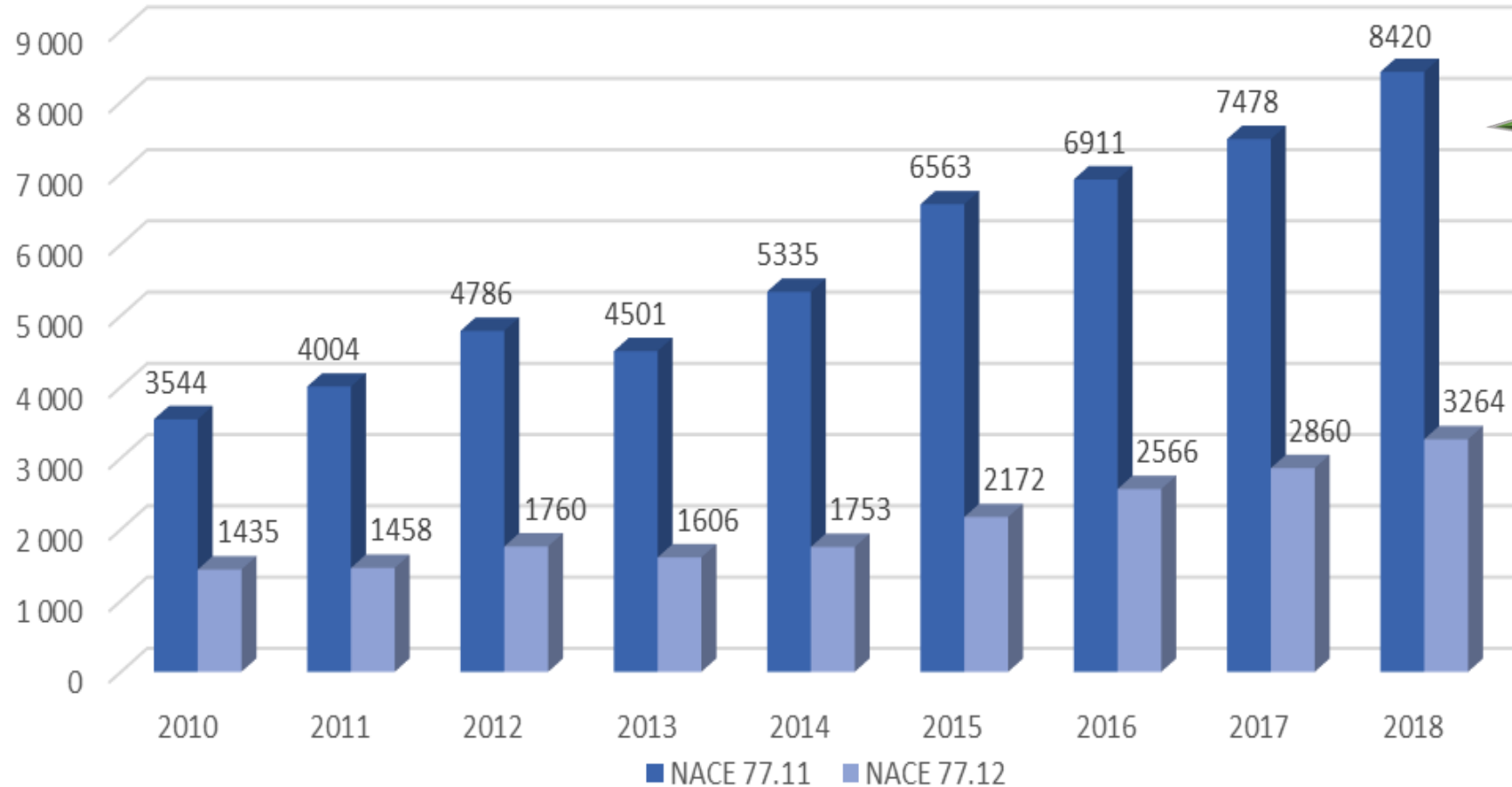


with about 0,21% share
in total business
economy

Description and characteristics of the industry

■ Market conditions and constraints

Graph 2 Number of persons employed in NACE 77.11 and 77.12 in Poland in years 2010-2018

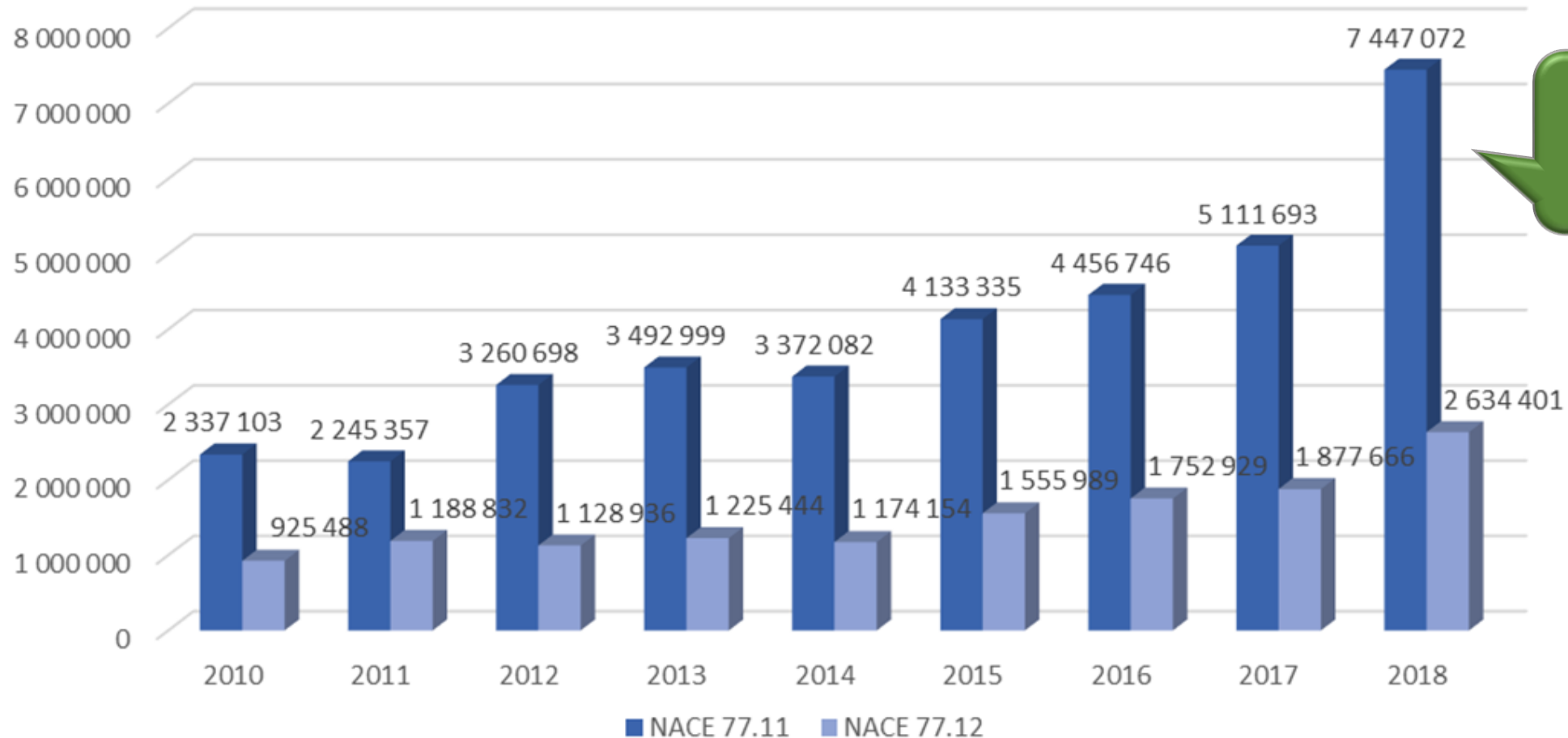


with about 0,13% share
in total business
economy

Description and characteristics of the industry

Market conditions and constraints

Graph 3 Turnover in NACE 77.11 and 77.12 in Poland in years 2010- 2018 (in thous. PLN)

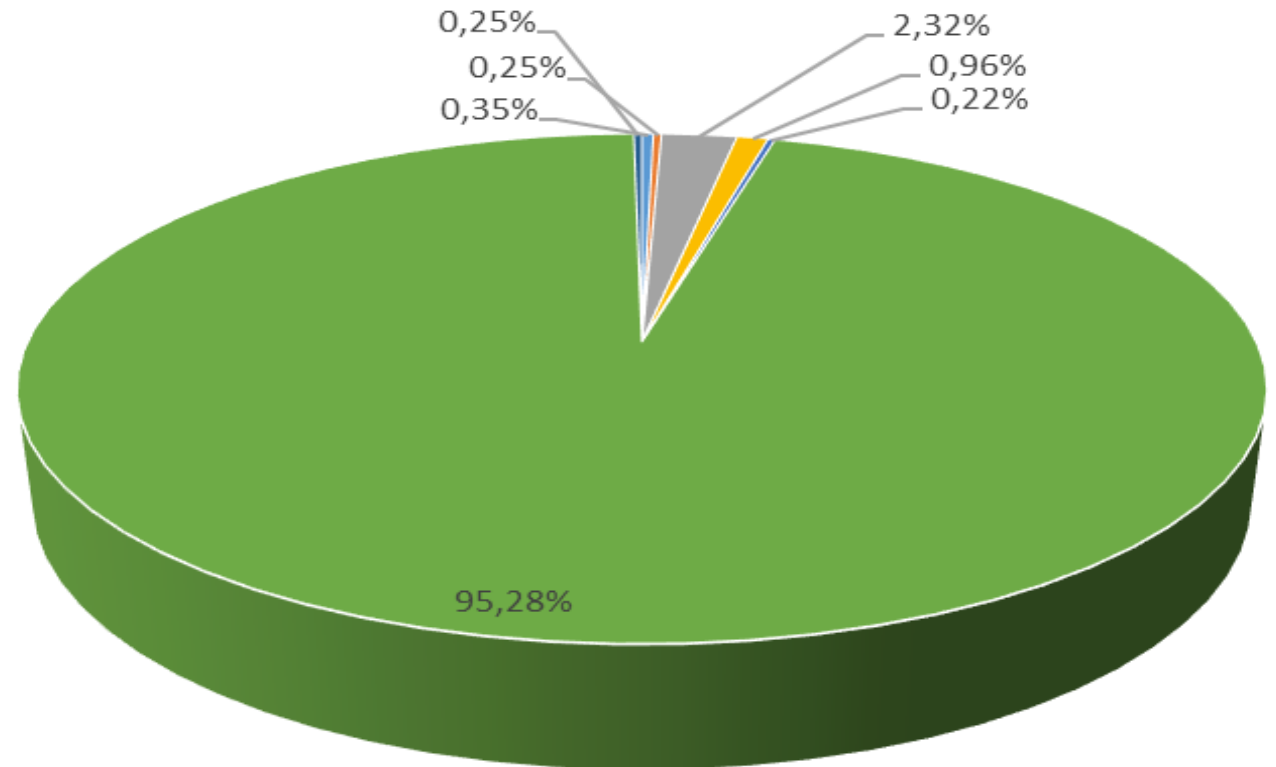


Description and characteristics of the industry

■ Market conditions and constraints

Graph 4 Structure of turnover in NACE 77.11 for enterprises in Poland in 2018 in %

- 27 Manufacture of electrical equipment
- 33 Repair and installation of machinery and equipment
- 45 Wholesale and retail trade and repair of motor vehicles and motorcycle
- 47 Retail trade, except of motor vehicles and motorcycles
- 49.31 Urban and suburban passenger land transport, 49.39 Other passenger land transport n.e.c. , 49.41 Freight transport by road
- 77.11 Renting and leasing of cars and light motor vehicle
- 78 Employment activities

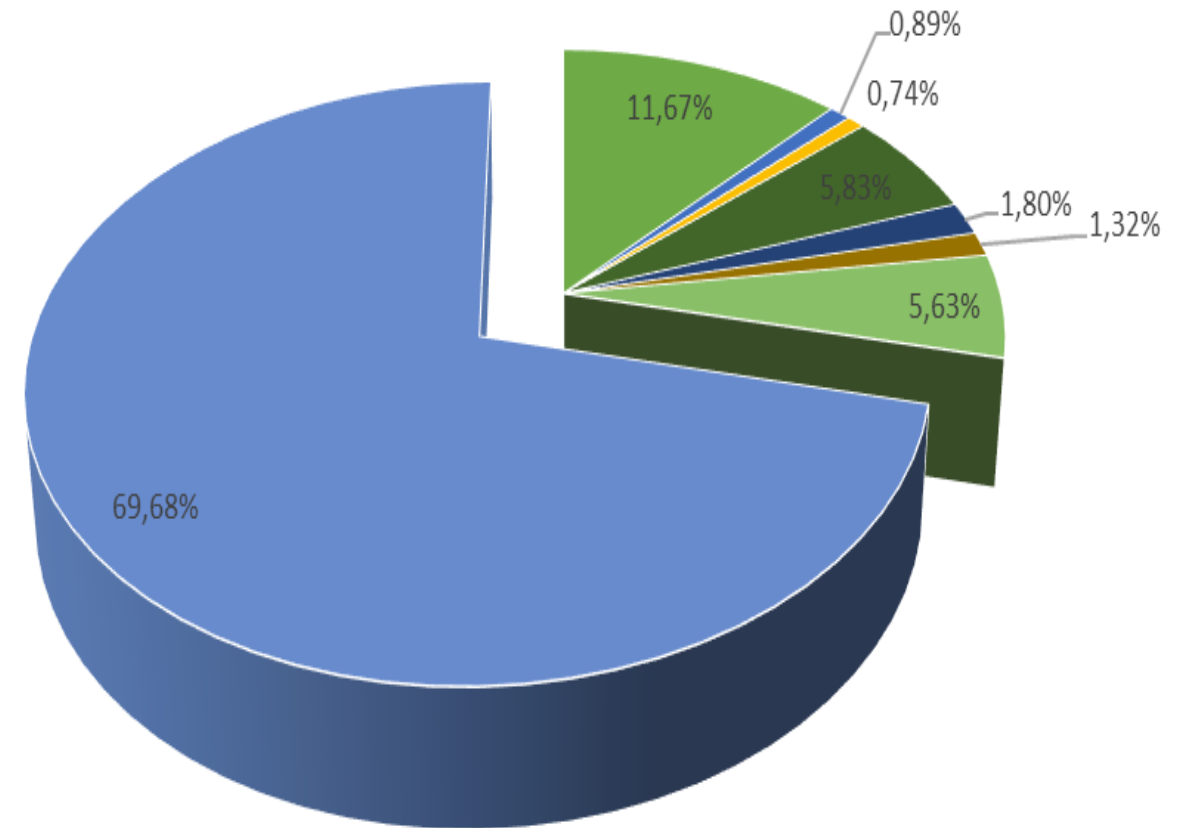


Description and characteristics of the industry

■ Market conditions and constraints

Graph 5 Structure of turnover in NACE 77.12 for enterprises in Poland in 2018 in %

- 29.10 Manufacture of motor vehicles , 29.20 Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
- 35 Electricity, gas, steam and air conditioning suppl
- 38 Waste collection, treatment and disposal activities; materials recovery
- 45 Wholesale and retail trade and repair of motor vehicles and motorcycle
- 46 Wholesale trade, except of motor vehicles and motorcycles
- 47 Retail trade, except of motor vehicles and motorcycles
- 49.31 Urban and suburban passenger land transport, 49.39 Other passenger land transport n.e.c. , 49.41 Freight transport by road
- 77.12 Renting and leasing of trucks



Measurement of SPPI

- General framework
- Measurement issues
- Description of pricing methods and criteria for choosing the method

Measurement of SPPI

■ General framework and measurement issue

- ❑ availability of data at the industry level in the aspect of EU statistical obligation:
 - quarterly SPPI at the NACE division level 77 Rental and leasing activities – available from 2015
- ❑ pilot study in years 2014-2015;
- ❑ modification of SPPI surveys - new tool for data collection;
- ❑ SPPI calculated based on data collected within the statistical report **C-06 Report on services producer prices** via reporting website;
- ❑ sample frame:
 - established separately for each of services industry covered by the SPPI;
 - comprises enterprises with the persons employed 10 and more running, with their primary or secondary activity, in given industry;
 - selected purposively basing on information included in the business register as well as data on turnover collected within the business statistics;
- ❑ in the sample for 2019 survey comprised 58 enterprises with no of persons employed 10 and more, within this 26 units with no of persons employed 50 and more (for 2020 56 enterprises, within this 29 units with no of persons employed 50 and more);

Measurement of SPPI

- Description of pricing methods and criteria for choosing the method

DATA SOURCES

Report on producer services prices (C-06)

- quarterly survey;
- purposively selected sample;
- 22 modules, each one for separate industry covered by survey;
- module no 16. dedicated to 77 *Rental and leasing activities* ((without *Leasing of intellectual property and similar products; 77 without 77.4*) of 3 sections (each one for one pricing method);

Annual survey on enterprises (SP) – for weighting

Measurement of SPPI

General framework and measurement issue

TYPE OF INFORMATION	POSSIBLE OPTIONS OF ANSWER	DIRECT USE OF PRICES OF REPEATED SERVICES	CONTRACT PRICING METHOD	UNIT VALUE METHOD
UNIT OF MEASURE	selected from the list	X	X	X
TYPE OF CLIENT	enterprise, public body, individual client	X	X	X
RESIDENCE OF CLIENT	in country, outside country	X	X	X
CLIENT NAME	real name or symbol of the client		X	
DURATION OF THE CONTRACT			X	
TYPE OF PRICE	price from the representative transaction, average price from few comparable transactions, price from the list, price from the model estimated by respondent	X		
PRICE LEVELS	for the reporting and previous quarter	X	X	
VALUE OF THE SOLD SERVICE	for the reporting and previous quarter			X
AMOUNT OF THE SOLD SERVICE	for the reporting and previous quarter			X
REASONS FOR CHANGE IN PRICE LEVELS	selected from the list	X	X	X
DESCRIPTION OF THE SERVICE	the most important price-determining characteristics of the observed representatives according to the features specified for particular kind of services (CPA)	X	X	X

Measurement of SPPI

▪ Description of pricing methods and criteria for choosing the method

The main findings identified for measuring the SPPI in Rental and leasing services of motor vehicles (NACE 77.1)/(CPA 77.1) are presented in the table below:

The CPA code of service	Main pricing methods	Type of main collected price	Factors determining the services price (features specified for particular kind of services (CPA) in questionnaire)
77.11.10 Rental and leasing services of cars and light motor vehicles	section no 1: direct use of prices of repeated services; section no 2: contract pricing method; section no 3: unit value methods	<ul style="list-style-type: none"> • transaction price • price from the price list • unit value 	Car category, mileage (limit of kilometers) rent or leasing duration, additional services included in the price (e.g. insurance), scope of the service/additional information related to the service
77.12.11 Rental and leasing services of goods transport vehicles without driver			
77.12.19 Rental and leasing services of other land transport equipment without driver			

Pricing methods indicated by respondents in the survey for 2019 (out of 175 representative services):

- direct use of prices of repeated services - 116;
- contract pricing method - 56;
- unit value method - 3;

Measurement of SPPI

▪ Description of pricing methods and criteria for choosing the method

The procedure of SPPI estimation:

- 1) The basic indices for each reported services representatives are calculated with the previous quarter as the base reference period.
- 2) The price indices at the enterprise level are compiled as a geometrical average of price indices for representatives reported by given responding unit. That average comprises only services representatives covered by surveyed industry. The price indices are calculated for all enterprises covered by sample frame established for given industry (also for enterprise with secondary activities).
- 3) The SPPI for the class ISIC/NACE level is estimated with the Laspeyres price index formula, i.e. weighted average of price indices at enterprise level. As the weights unit data on turnover at the class level kind of activity for given enterprise are used. The index comprises indices for all enterprises in the sample frame established for given industry.
- 4) In order to aggregate indices for higher levels the Laspeyres price index formula is also used. For the group, division or section levels the calculations are carried out with the use of system of weights based on turnover values from the base year which come from the structural business statistics.

Evaluation of measurement

- ❑ after implementing the new tool for data collection and new approach for selecting the sample data are more accurate to measure the changes in price levels recorded by given service industry.
- ❑ in case of any changes in the methodology of the SPPI survey it should be regarded that the population of enterprises with their primary activity classified in ISIC/NACE 77.1 is dominated by the units with the number of persons employed 9 and less. It may cause problems related with representativeness of sample;

Thank you

Agnieszka Matulska-Bachura; a.matulska@stat.gov.pl

Beata Cebula; b.cebula@stat.gov.pl