

SPPI for Technical Testing in the Netherlands



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Mini-presentation
Marcel Spanjaard



Statistics Netherlands

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Definition of the service being priced

- 71.20 “Technical testing and analysis” includes the performance of physical, chemical and other analytical testing of all types of materials and products
 - [Nace Rev. 2]

Market conditions – size of industry (1)

SBI classification	# enterprises	Turnover	
		€ x 1000	%
71201 Testing and analysis of agricultural products and food	206	714,482	11.7
71202 Technical testing and analysis of machinery, equipment and materials	1,122	4,969,280	81.2
71203 Other technical testing and analysis	123	436,253	7.1
712 Total	1,451	6,120,015	100

Market conditions – size of industry (2)

# employees	# enterprises	Turnover	
		€ x 1000	%
0-9	1,135	873,256	14.3
10-49	150	794,113	13.0
50-199	111	1,531,385	25.0
200-499	46	1,722,068	28.1
>500	9	1,199,192	19.6
Total	1,451	6,120,015	100

71201

- Testing and analysis of agricultural products and food
 - Companies working for Dutch government
 - Like “safety authorities”
 - non-market prices → not monitored

71202

- Technical testing and analysis of machinery, equipment and materials
 - Variety of tests on machinery, equipment and materials
 - Examples are: tests on pipes, electricity cables/wires, concrete or other building material or tests on toys for children
 - Periodic road-safety testing of motor vehicles

71203

- Other technical testing and analysis
 - Environmental inspections
 - Water inspections
 - Removal of asbestos

Record keeping practice

- Questionnaires send out on paper
 - Internet next year
- Weights based on company turnover
- Weighted response over 65%
- 83 responding companies
- Average of 4 quotations per company
- CPI proxy for periodic road-safety testing

Pricing method

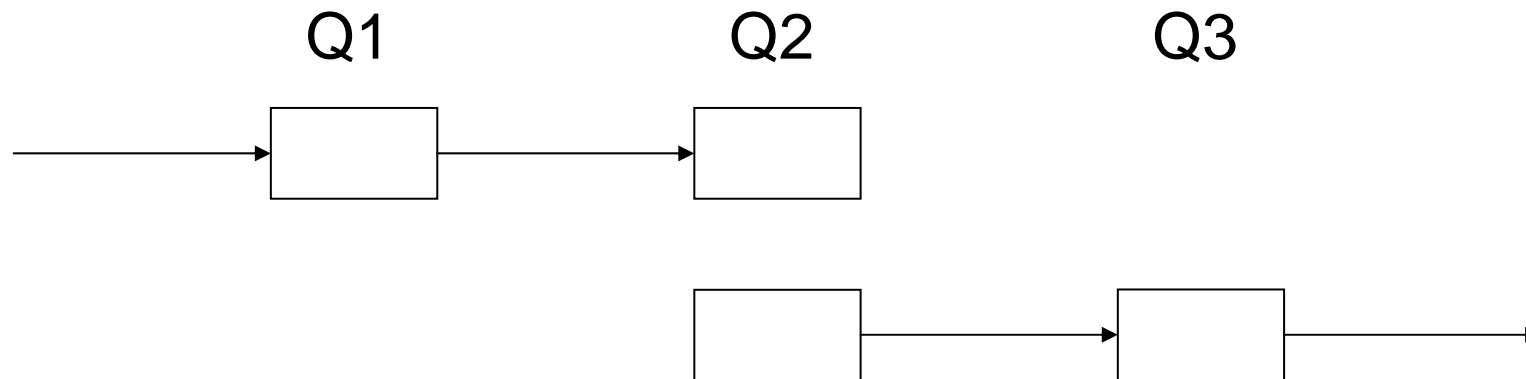
- Modelpricing
 - starts out as “price for repeated services”
 - Models are composed in cooperation with the companies
 - Representative
- Price determining factors
 - control the price determining factors, otherwise you might measure unrealistic price developments

Model example

- Testing a Power Supply according to UL 60950
- Price determining factors: certificate to be issued
- Work activities: Certification requirements per standards UL 60950 – construction analysis, testing, bill-of-materials, report
- Total amount invoiced to the customer (incl. possible discounts) for an existing customer

Quality adjustment

- Overlap method
 - “Circumvents the quality problem”



National Accounts

- Input available for deflation
 - [prices and turnover]
- Evaluation with “reality” is difficult
 - [no info in newspapers or other media]
- Similar to Architects or Engineers?
 - No! Technical testing is much broader

Results

