## SCB

# SPPI for Warehousing and support activities for transportation in Sweden

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#### Content of the presentation

- Definition of service
- Market conditions
- Pricing method
- Quality adjustment
- Data collection
- Sampling and weights
- Results



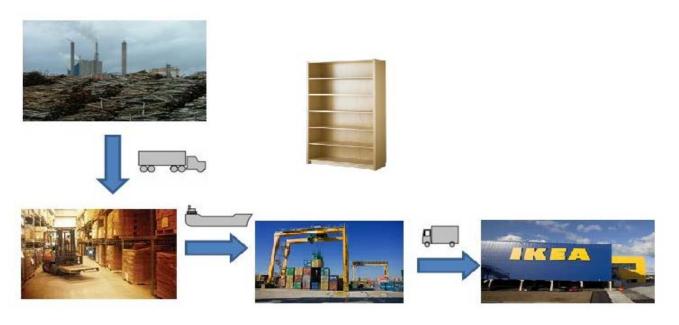
NACE Rev. 2					
Group	Class	Description			
52.1		Warehousing and storage			
	52.10	Warehousing and storage			
52.2		Support activities for transportation			
	52.21	Service activities incidental to land transportation			
	52.22	Service activities incidental to water transportation			
	52.23	Service activities incidental to air transportation			
	52.24	Cargo handling			
	52.29	Other transportation support activities			

- Swedish SPPI measures 52.1, 52.24 and 52.29
- 52.29 accounts for 75 percent of turnover

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#### Definition of service, example 52.29

Forwarding of freight



- Bundle of different services
- May involve multiple carrier types



#### Market conditions - size of division

SNI 2007	Number of enterprises	Turnover	Share of total turnover
52100 Warehousing and storage	185	3.3	2.3%
52211 Towing incidental to land transportation	179	0.6	0.4%
52219 Other service activities incidental to land transportation	665	12.2	8.5%
52220 Service activities incidental to water transportation	197	2.6	1.8%
52230 Service activities incidental to air transportation	155	10.6	7.4%
52241 Harbour cargo handling	85	5.8	4.1%
52249 Other cargo handling	149	1.7	1.2%
52290 Other transportation support activities	1556	106.0	74.2%
52	3171	142.8	100.0%



#### Market conditions - size of division cont.

NACE 52. Number of enterprises and turnover specified by size of enterprise.

Number of employees	Number of enterprises	Turnover	Share of total turn over
0-19	2922	34.9	24.5%
20-49	142	16.0	11.2%
50-99	47	15.8	11.1%
100-249	38	20.3	14.2%
250+	22	55.6	38.9%
Total	3171	142.8	100.0%



#### Pricing method

#### Contract pricing

- Long term contracts with clients to handle transport or warehousing
- Follows index for currency, oil, rent and salary
- Uniqueness of service
- Well specified services
- Often include client, carrier type, type and quantity of goods, additional services and departure and destination



#### Pricing method cont.

- Large price movements often occur due to renegotiation of contracts
- Model pricing in 2003
  - Started with a representative contract
  - Respondents were asked, in each period, to quote a price as if the contract was renegotiated
  - Respondents had difficulties to understand
  - Necessary to put in a lot of effort



#### Quality adjustment

- When a contract is replaced by another
- Explicit method when possible
  - Respondent are asked how the quality change affects the price
  - Quantity adjustment
- Else, overlap
  - Totally different route or bundle of services

#### Data collection

- Web-based questionnaire, the respondent are asked about
  - Representativity of the service
  - Any changes of the service since last quarter
  - Reason of price change if +/-10 %

- 176 observations and 40 companies in 52.290
  - Will probably be increased

Response rate about 90 percent

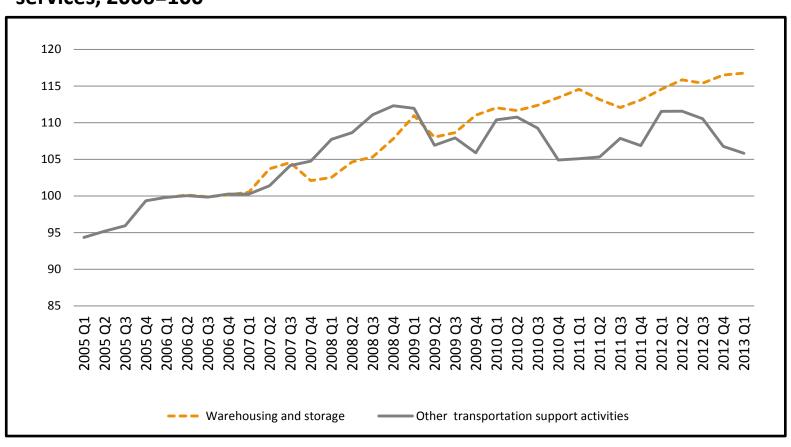
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#### Sampling and weights

- Pareto probability proportional to size
  - Size is measured by turnover
  - Divides the sample in two strata
  - "Large" companies represents themselves
  - "Small" companies represents the others
- A new sample and weights are calculated each year

#### Results

#### Price index for Warehousing and storage and Other transportation support services, 2006=100





#### Questions?

Thank you!