

# ISIC 77.30 – Renting and leasing of other machinery, equipment, and tangible goods

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# Mini Presentations

## Turnover/Output



Mariah Nilsson  
Sweden



Mathieu Thomassin  
Canada

## Prices



Stéphanie Depil  
Anna Simon  
France



Eveli Šokman  
Estonia



Ildiko Hamvainé Holocsy  
Hungary

# Industry classifications

ISIC Rev. 4	NACE Rev. 2	NAICS 2017
7730 – Renting and leasing of other machinery, equipment and tangible goods n.e.c.	77.31 – Rental and leasing of agricultural machinery and equipment	532410 – Construction, transportation, mining, and forestry machinery and equipment rental and leasing
	77.32 – Rental and leasing of construction and civil engineering machinery and equipment	
	77.34 – Rental and leasing of water transport equipment	
	77.35 – Rental and leasing of air transport equipment	
	77.33 – Rental and leasing of office machinery and equipment (including computers)	532420 – Office machinery and equipment rental and leasing
	77.39 – Rental and leasing of other machinery, equipment and tangible goods	532490 – Other commercial and industrial machinery and equipment rental and leasing
		532120* – Truck, utility trailer, and RV (recreational vehicle) rental and leasing
		532280* – All other consumer goods rental
		532310* – General rental centers

# Product classifications

CPC	CPA	NAPCS
73114 – Leasing or rental services concerning other land transport equipment without operator	77.39.13 – Rental and leasing services of motorcycles, caravans and campers	31101040101 – Rental and leasing services for motor homes, travel trailers, and campers
73117 – Leasing or rental services concerning containers	77.39.12 – Rental and leasing services of containers	51604010101 – Rental and leasing of heavy trucks, truck trailers and buses
73123 – Leasing or rental services concerning office machinery equipment (except computers) without operator	77.33.11 – Rental and leasing services of office machinery and equipment (excluding computers)	51104010101 – Rental services for office equipment, except computers
73124 – Leasing or rental services concerning computers without operator	77.33.12 – Rental and leasing services of computers	51204010101 – Rental of computers and peripheral equipment
73125 – Leasing or rental services concerning telecommunications equipment without operator	77.39.14 – Rental and leasing services of telecommunications equipment	51204010102 – Rental of communications equipment



# Product classifications cont.

CPC	CPA	NAPCS
73113 – Leasing or rental services concerning railroad vehicles without operator	77.39.11 – Rental and leasing services of railroad vehicles	51604010102 – Rental of air, rail, and water transportation equipment
73115 – Leasing or rental services concerning vessels without operator	77.34.10 – Rental and leasing services of water transport equipment	
73116 – Leasing or rental services concerning aircraft without operator	77.35.10 – Rental and leasing services of air transport equipment	
73121 – Leasing or rental services concerning agricultural machinery and equipment without operator	77.31.10 – Rental and leasing services of agricultural machinery and equipment	51403010101 – Rental services for agricultural, construction, forestry, mining, and oil and gas field machinery and equipment
73122 – Leasing or rental services concerning construction machinery and equipment without operator	77.32.00 – Rental and leasing services of construction and civil engineering machinery and equipment	
73129 – Leasing or rental services concerning other machinery and equipment without operator n.e.c.	77.39.19 – Rental and leasing services of other machinery and equipment without operators and tangible goods n.e.c.	515030101 – Rental services for industrial machinery and equipment
		51503020101 – Rental services for commercial and service industry machinery and equipment, without operator



# Services provided

- ISIC 7730 includes renting and operational leasing, without operator, of:
  - ▶ Machinery and equipment that are generally used as capital goods by industries
  - ▶ Land-transport equipment (other than motor vehicles)
  - ▶ Water-transport equipment
  - ▶ Air-transport equipment
  - ▶ Agricultural and forestry machinery and equipment
  - ▶ Construction and civil-engineering machinery and equipment
  - ▶ Office machinery and equipment

# Services excluded

## ■ ISIC 7730 excludes:

- ▶ Renting of machinery or equipment with operator (see 0161, 0240, divisions 43, 50, 51 )
- ▶ Financial leasing (see 6491)
- ▶ Renting of pleasure boats (see 7721)
- ▶ Renting of bicycles (see 7721)



# Market Conditions

## ■ Industry Size

- ▶ Small portion of overall economic activity
- ▶ Significant portion of the rental and leasing sector

## ■ Industry Concentration

- ▶ Moderate concentration in Canada and France
- ▶ Dominated by small enterprises in Sweden and Estonia

## ■ Type of Buyer is primarily businesses



# Specific Characteristics

- Rental and leasing may be preferred to purchasing equipment
  - ▶ Particularly during economic downturns and times of uncertainty
  - ▶ Access to up-to date equipment
  - ▶ Reduced up-front capital expenditures
  - ▶ Can adjust production capacities more quickly
- Increasing digitization of industry operations in Canada
  - ▶ Real time online inventories
  - ▶ Development of mobile apps to manage inventories and interface with customers

# Revenue/Output Measurement: General Framework

- Turnover collection supported by legislation on EU level
  - ▶ STS Short-Term Statistics (Quarterly)
  - ▶ SBS Structural Business Statistics (Annually)
- Turnover measures in Canada
  - ▶ Annual Survey of Service Industries
  - ▶ Industry output is estimated based on operating revenues plus own-account capital formation.



# Output/Turnover: Methods & Issues

- Combination of administrative and survey data
  - ▶ Tax data used as a sample frame and for key financial variables
  - ▶ Survey data provide more detailed information
- Reporting of data at the enterprise vs establishment level
  - ▶ Preliminary provincial data over or underestimated
  - ▶ Primary activity of the larger entity may differ from the establishment
- Maintaining an accurate business register



# SPPI: General Framework

- In Europe, SPPI is compiled in the system of short-term statistics
  - ▶ Published quarterly
  - ▶ Publication level varies by country
  
- Primary Uses:
  - ▶ Deflator for Gross Domestic Product in National Accounts
  - ▶ Deflator for Service Production Indices
  - ▶ Leading indicator of inflation



# SPPI: Price Determining Characteristics

- Type of equipment rented
- Duration of the rental
- Inclusion of associated services
  - ▶ Transportation of equipment
  - ▶ Fuel
  - ▶ Maintenance



# SPPI: Pricing Methods

	Direct Use of Prices of Repeated Services	Contract Pricing	Unit Value
Estonia	X		
France	X	X	X
Hungary	X	X	X



# SPPI: Measurement Issues

## ■ Sampling:

- ▶ Difficult to maintain an accurate business register
- ▶ Establishments may have significant activity in multiple industries

## ■ Data Sources:

- ▶ No sources of administrative or other third-party data reported
- ▶ Inconsistent availability of price data online
- ▶ Online pricing does not include negotiated discounts

# SPPI: Additional Measurement Issues

## ■ Quality Adjustment:

- ▶ Changes to the machinery or equipment
- ▶ Changes in the rental service

## ■ New vs. Existing Leases

- ▶ Ideally should be collected and weighted separately
- ▶ Online pricing does not include existing leases



# Evaluation of Measurement

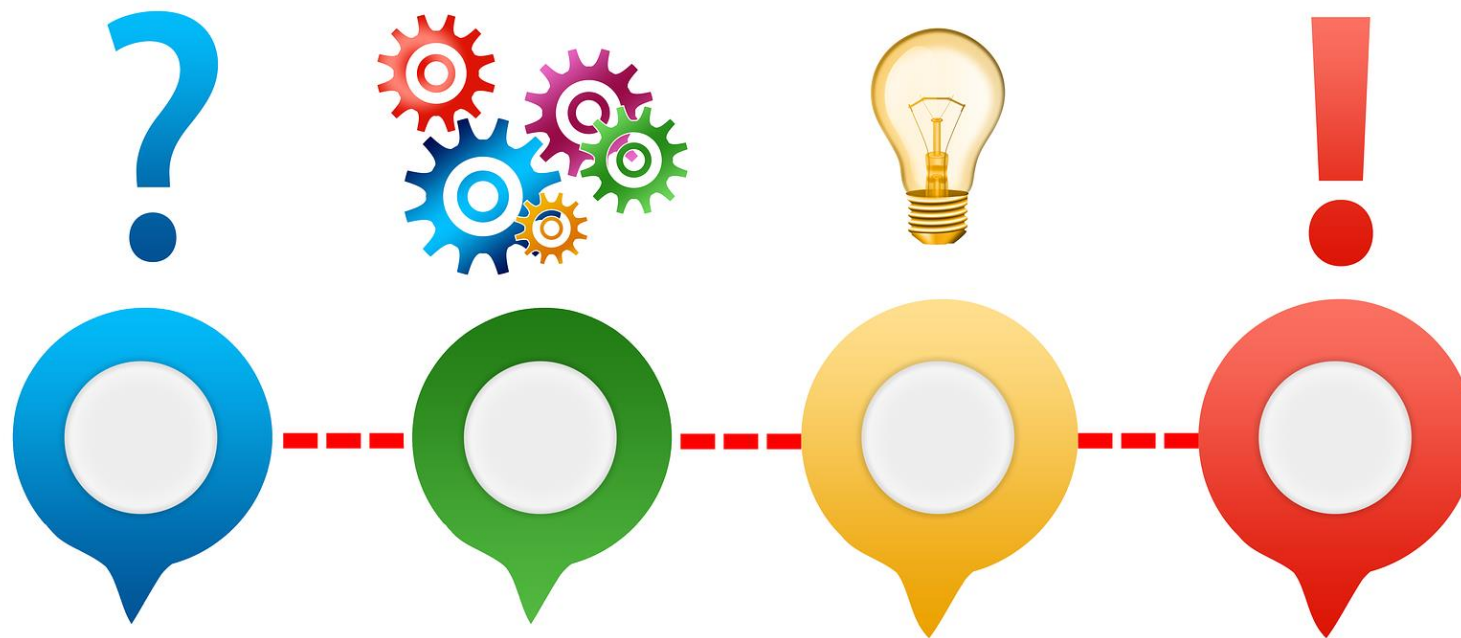
- Survey response is a challenge
  - ▶ Online price collection can reduce respondent burden
  - ▶ Lacks negotiated discounts and existing leases
- Future challenges
  - ▶ Tracking sales made on digital platforms
  - ▶ Potential for web scraping vs manual online price collection
  - ▶ Implementation of FRIBS regulations

# International Progress

- 13 countries responded to the Alternative Data Source Survey
- Turnover/Output Collection
  - ▶ 8 countries collect turnover data
  - ▶ Primary sources of data are questionnaires and Structural Business Statistics
- Prices Collection
  - ▶ 11 countries collect price data
  - ▶ Primary sources of data are questionnaires and websites



# Questions or Comments?



# Contact Information

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