

# Sector Paper: 77.1

## Renting and Leasing of Motor Vehicles

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# Participant countries

- Turnover:

- Mariah Nilsson – Statistics Sweden
- Ramón Bravo Zepeda – INEGI, Mexico

- Prices:

- Cristina de la Fuente Jiménez– INE, Spain
- Agnieszka Matulska-Bachura and Beata Cebula – Statistics Poland
- Jiri Sulc- Czech Statistical Office

- Discussant:

Erika Barrera, Central Bank of Chile

# Descriptions and characteristics of the industry: Industrial Classifications

- ISIC Rev.4: United Nations (2008)
- NACE Rev.2: EU (2008)
- NAICS: North America (2018)
- SNI 2007: Sweden (2007)
- CNAE 2009: Spain (2009)

# Descriptions and characteristics of the industry: Industrial Classifications

ISIC Rev 4	NACE Rev 2	SNI 2007	CNAE 2009	NAICS
7710 - Renting and leasing of motor vehicles	77.1 - Renting and leasing of motor vehicles			
	77.11 - Renting and leasing of cars and light vehicles	77.110 - Renting and leasing of cars and light vehicles	7711 - Renting and leasing of cars and light vehicles	532110 Rental and leasing of automobiles without drivers
	77.12 - Renting and leasing of trucks	77.120 - Renting and leasing of trucks	7712 - Renting and leasing of trucks	532121 Rental and leasing of freight trucks without drivers
				532122 Rental and leasing of buses, minibuses, and trailers without drivers

# Descriptions and characteristics of the industry: Product Classifications

- CPC Ver. 2.0 3 subclasses
- CPA 2.1 3 subclasses
- SPIN 2015 3 subclasses
- NAPCS 3 subclasses

All classifications are very similar in approach with NAPCS being more specific about detail segments

# Services provided

ISIC Rev 4: 7710 Renting and leasing of motor vehicles

This class includes renting of all motor vehicles and is not broken into further sub-classes. This includes renting of cars, light motor vehicles as well as heavy good vehicles which can be used by both business and households. The class excludes financial leasing which is covered in ISIC rev 4 class 6491 and excludes renting of motor vehicles with driver which is covered in 4922. 4923

NACE Rev 2: 77.1 Renting and leasing of motor vehicles

77.11 Renting and leasing of cars and light motor vehicles

77.12 Renting and leasing of trucks

# Descriptions and characteristics of the industry:

## Market conditions

- Concentration within the industry
  - Industry 77.1 (NACE Rev 2) forms a small part of section 77 compared to other components.
- Horizontal and vertical integration
  - Medium-Large enterprises dominate the turnover share with smaller enterprises dominating the local markets
  - Big part of the turnover is generated by large corporate groups
- Type of consumer of the services
  - With FRIBS regulation countries are gearing towards B2X by 2021
- Public regulations affecting the market situation
  - Covid-19 restrictions

# Descriptions and characteristics of the industry:

## Specific characteristics

- Development of new products/services
  - Service definitions have long remained the same
  - Digital agents and third party comparison sites on the increase
  - Developing tourism industry adding to further developments within the industry in Poland



# Turnover/output measurement: General framework

- Turnover collection supported by legislation on EU level
- STS Short-Term Statistics (Quarterly)

Short-term statistics (STS) aim to describe the most recent developments of European economies and its indicators are published monthly as indices.

- SBS Structural Business Statistics (Annually)

Structural Business statistics (SBS) describe performance, the structure and main characteristics of economic activities within the business economy in a detailed level. In structural business statistics, contrary to the STS the indicators are not presented as indices but as monetary values (e.g. number of persons employed, number of enterprises)

# Turnover/output: Measurement issues

- Enterprise size
  - The dominance of smaller or larger enterprises varies by country
- Admin data used as sample frame
- Questionnaires needed for detailed level information making acquiring data expensive

# Prices measurement: General framework

- In Europe, the SPPI complies with the STS regulations and is published on a quarterly basis in most countries. However, based on data availability and ease of collection, data can be collected on a monthly basis as per the short-term statistics remit.
- Key users:
  - National Accounts
  - Deflators

# Prices measurement: Measurement issues

- Product structure and importance of product level detail
  - Product Classifications not detailed enough
  - Homogeneity of product needs to be ensured
  - Lack of weights data at lower/detailed product level
  - Lack of admin data available

# Price determining characteristics

- The main price determining characteristics are:
  - 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 as well as type of client, e.g. company, private person, foreign or domestic client.

# Pricing Methods

	DIRECT USE OF PRICES OF REPEATED SERVICES	CONTRACT PRICING METHOD	UNIT VALUE METHOD
Spain	X		
Poland	X	X	X
Czech Republic	X		

# Evaluation

- Still under development
- Challenges around data collection
- FRIBS regulation 2021
- Fit for purpose

# Future challenges

- Lack of administrative data sources; potential for Web-scraping
- Growing presence online as well as through third-party comparison sites
- With global initiatives to reduce carbon footprint and with government ambitions to reduce emissions
- International comparisons can be difficult as the classification structures are not detailed enough



# Any Questions?

Thank you!