

Service bulletin

Automotive Equipment Rental and Leasing

2009



Highlights

- The automotive equipment rental and leasing industry operating revenues stood at \$4.8 billion in 2009, down 5.5% from the previous year. The decline was mainly due to weakened demand for truck, utility and recreational vehicles rental and leasing.
- Rental and leasing of passenger cars generated 60.1% of operating revenues, while the remainder was generated through the rental and leasing of trucks, utility trailers and recreational vehicles.
- The client base of the automotive equipment rental and leasing industry is almost evenly split between businesses and individuals.
- The industry's major operating expenses include depreciation (32.2%), followed by cost of goods sold (18.1%) and labour costs (16.8%). The industry's profit margin was 8.7% in 2009, up from 8.3% in 2008.

Statistical tables

Table 1

Summary statistics for the automotive rental and leasing industry, Canada, 2005 to 2009

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars	millions of dollars	percent	number	
2009p	4,807.5	4,388.3	737.1	8.7	3,617
2008	5,085.1	4,665.0	850.1	8.3	3,665
2007	5,104.8	4,685.9	850.7	8.2	3,753
2006	4,967.8	4,525.3	760.0	8.9	3,575
2005	5,034.0	4,558.5	787.7	9.4	3,677

Note(s): According to the North American Industry Classification System (NAICS 5321). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not sum exactly to totals.

Table 2

Operating expenses for the automotive rental and leasing industry, Canada, 2009

Operating Expenses	percent
Salaries and wages of employees who have been issued a T4 statement	15
Employer portion of employee benefits	2
Commissions paid to non-employees	3
Professional and business services fees	1
Subcontract expenses	1
Charges for services provided by your head office	1
Cost of goods sold	18
Office supplies	1
Rental and leasing	4
Repair and maintenance	7
Insurance	3
Advertising, marketing and promotions	2
Travel, meals and entertainment	0
Utilities and telecommunications	1
Property and business taxes, licenses and permits	1
Royalties, rights, licensing and franchise fees	1
Delivery, warehousing, postage and courier	0
Financial service fees	0
Amortization and depreciation of tangible and intangible assets	32
Bad debts	1
All other expenses	6
Total operating expenses	100

Note(s): According to the North American Industry Classification System (NAICS 5321). Surveyed portion only. See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not sum exactly to total.

Table 3

Distribution of sales by type of client for automotive rental and leasing, 2009

Sales	percent
Sales to businesses	52
Sales to individuals	42
Sales to governments, not-for-profit organizations and public institutions	4
Sales outside Canada (exports)	2
Total sales to all clients	100

Note(s): According to the North American Industry Classification System (NAICS 5321). Surveyed portion only. Due to rounding, components may not sum exactly to totals.

Data sources, definitions and methodology

Description

This annual sample survey collects the financial and operating data needed to produce statistics on the Automotive Equipment Rental and Leasing industry in Canada. Commencing with reference year 2005, the survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client.

These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the Automotive Equipment Rental and Leasing industry in Canada. The results from this survey provide data to businesses, governments, investors and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

Population

The target population consists of all statistical establishments (sometimes referred to as firms or units) classified as Automotive Equipment Rental and Leasing (NAICS 5321) according to the North American Industry Classification System 2002 (NAICS 2002) during the reference year. The Automotive Equipment Rental and Leasing sector covers two NAICS 2002: Passenger Car Rental and Leasing (NAICS 53211) and Truck, Utility Trailer and RV (Recreational Vehicle) Rental and Leasing (NAICS 53212).

The Automotive Equipment Rental and Leasing survey comprises establishments primarily engaged in renting or leasing vehicles, such as passenger cars; passenger vans, trucks, truck tractors, buses, semi-trailers, utility trailers and RVs (recreational vehicles), without drivers. These establishments generally operate from a retail-like facility, some offer only short-term rental, others only longer-term leases, and some provide both type of services.

The financing arm of the commercial and industrial machinery and equipment rental and leasing industry is excluded from this survey. Data for these companies are found in NAICS 52222 because of their sales financing activities.

Sampling

This is a sample survey with a cross-sectional design.

The survey design was based on probability sampling and only covered the portion of the frame subject to direct data collection.

The basic objective of the survey is to produce estimates for the whole industry -- incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (Note: the threshold varies between surveys and sometimes between provinces in the same survey) and administrative data for businesses with revenue below the specified threshold. It should be noted that only financial information is obtained from administrative sources; e.g., revenue, expenses such as depreciation and salaries, wages and benefits. Characteristics such as client base and revenue by type of service are collected only for surveyed establishments.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including: address, industry classification and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register and is updated using administrative data.

Finally the sample size is increased, mostly to compensate for firms that no longer belong in the industry: i.e., they have gone out of business, changed their primary business activity, they are inactive or are duplicates on the frame. After removing such firms, the sample size for 2009 was 335 collection entities.

Definitions

- **Operating revenue** excludes investment income, capital gains, extraordinary gains and other non-recurring items.
- **Operating expenses** exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.
- **Operating profit margin** is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.
- **Salaries, wages and benefits** include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Québec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.
- An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Quality evaluation

Even though the basic objective of the survey is to produce estimates for the whole industry--all incorporated and unincorporated businesses--not all businesses are surveyed. Rather, a sample is surveyed and the portion eligible for sampling is defined as all statistical establishments with revenue above a certain threshold. (Note: the threshold varies between surveys and sometimes between provinces in the same survey). The excluded portion represents a substantial proportion of the industry in terms of number of establishments (64%), but its contribution to the overall industry revenue is only about 7%. These excluded establishments are accounted for in the final estimates through the use of administrative data. However, only basic information is obtained from administrative sources; i.e., total revenue, expenses, depreciation and salaries, wages and benefits. Detailed characteristics such as client base, revenue by type of service, and detailed expense items are collected only for surveyed establishments.

Disclosure control

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Data accuracy

Of the units contributing to the estimate, the weighted response rate was 85%. The coefficients of variation (CVs) were calculated for each estimate. The CVs are available upon request.

Related products

CANSIM

Available on CANSIM: Table 352-0008 - Automotive equipment rental and leasing, summary statistics, by North American Industry Classification System (NAICS), annual

Available on CANSIM: Table 352-0011 - Automotive equipment rental and leasing, operating expenses, by North American Industry Classification System (NAICS), annual

Available on CANSIM: Table 352-0012 - Automotive equipment rental and leasing, sales by type of client based on the North American Industry Classification System (NAICS), annual

Survey(s)

Definitions, data sources and methods: survey number 2442 - Annual Survey of Service Industries: Automotive Equipment Rental and Leasing

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: January 2011

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

To access this product

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Frequency: Annual / ISSN 1916-6826

For information on the wide range of data available from Statistics Canada, please call our national inquiries line at 1-800-263-1136.

Cette publication est également disponible en français.

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