

Service bulletin

Automotive Equipment Rental and Leasing

2011



Highlights

- In 2011, operating revenues of the automotive equipment rental and leasing industry totalled \$5.3 billion, up 7.0% from 2010.
- The industry derived 54.4% of its sales from business clients in 2011. The remainder of sales was made to individuals (39.3%), followed by government (5.0%) and foreign clients (1.3%).
- Operating expenses grew to \$4.7 billion in 2011, an increase of 5.3% over 2010. Depreciation continued to represent the largest share of operating expenses, at 30.7%.
- The operating profit margin of the industry increased from 9.9% in the previous year to 11.3% in 2011.

Statistical tables

Table 1

Summary statistics for the automotive equipment rental and leasing industry, Canada, 2009 to 2011

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2011 P	5,335.5	4,730.6	837.0	11.3
2010 r	4,987.6	4,492.2	789.0	9.9
2009 r	4,766.1	4,327.8	723.1	9.2

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 5321. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 2
Operating expenses for the automotive equipment rental and leasing industry, Canada, 2011

Operating Expenses	percent
Salaries, wages and benefits	17.9
Commissions paid to non-employees	3.3
Professional and business services fees	F
Subcontract expenses	F
Charges for services provided by head offices	F
Cost of goods sold	16.0
Office supplies	F
Rental and leasing	4.5
Repair and maintenance	6.4
Insurance	3.3
Advertising, marketing and promotions	1.4
Travel, meals and entertainment	F
Utilities and telecommunications	F
Property and business taxes, licenses and permits	1.6
Royalties, rights, licensing and franchise fees	1.7
Delivery, warehousing, postage and courier	F
Financial services fees	F
Amortization and depreciation of tangible and intangible assets	30.7
Bad debts	F
All other expenses	7.1
Total operating expenses	100

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 5321. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 3
Distribution of sales by type of client for automotive equipment rental and leasing, 2011

Sales	percent
Sales to businesses	54.4
Sales to individuals and households	39.3
Sales to governments, not-for-profit organizations and public institutions	5.0
Sales outside Canada (exports)	1.3
Total sales to all clients	100.0

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 5321. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for Automotive Equipment Rental and Leasing industry.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

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 (NAICS) during the reference year. The Automotive Equipment Rental and Leasing sector covers two NAICS: 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 2011 was 367 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

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 78.5%. The coefficients of variation (CVs) were calculated for each estimate. The CVs are available upon request.

Related products

Selected CANSIM tables from Statistics Canada

352-0008	Automotive equipment rental and leasing, summary statistics, by North American Industry Classification System (NAICS), annual (5 series)
352-0011	Automotive equipment rental and leasing, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (21 series)
352-0012	Automotive equipment rental and leasing, sales by type of client based on the North American Industry Classification System (NAICS), annual (percent) (5 series)

Release date: January 2013

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
*	significantly different from reference category ($p < 0.05$)

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