

Statistical bulletin

# UK Manufacturers' Sales by Product (PRODCOM): 2014 Provisional Results

First estimates of UK manufacturing sales by product (PRODCOM) with EU comparisons.



Release date: 25 June 2015

Next release: To be announced

# **Table of contents**

- 1. Main points
- 2. Your views matter
- 3. Summary
- 4. UK manufacturers' sales by product 2014
- 5. Results by industrial division
- 6. Results by product
- 7. European comparison
- 8. Background notes

# 1. Main points

- In 2014 the value of UK manufacturers' product sales was £362.3 billion, a 2.2% increase on the 2013 estimate of £354.5 billion
- UK manufacturers' product sales were 20.8% higher in 2014 than in 2009
- The manufacture of food products industry contributed most to UK manufacturers' product sales in 2014, at £66.8 billion, while the manufacture of machinery and equipment not elsewhere classified contributed the most to growth since 2013, at 22.9%
- Motor vehicles with a medium or large petrol engine had the largest value of product sales in 2014, at £12.8 billion
- In 2012, the most recent year with comparable EU data, 5 EU countries, including the UK, accounted for 69.7% of the share of total value of EU manufacturers' product sales

# 2. Your views matter

We continuously aim to improve this release and its associated commentary. We would welcome any feedback you might have and, to help ensure our statistics remain relevant, we would like to know how you make use of these estimates.

In particular we welcome any comments or feedback on new or revised outputs including the:

- PRODCOM technical report
- user interpretation manual
- revised format of the excel <u>reference tables (6.24 Mb Excel sheet)</u>
- Open Data format of the PRODCOM reference tables

Background note 1 has further information on these outputs. Please provide comments via email: <a href="mailto:prodcompublications@ons.gsi.gov.uk">prodcompublications@ons.gsi.gov.uk</a> or telephone William Barnes on +44 (0)1633 455711.

# 3. Summary

UK manufacturers reported a fifth consecutive year of growth in the value of product sales in 2014, continuing the recovery seen since 2009. The industrial divisions that have contributed to most growth in the value of product sales are the manufacture of machinery and equipment not elsewhere classified, the manufacture of fabricated metal products, the manufacture of food products and the manufacture of motor vehicles, trailers and semi-trailers. The top 10 products manufactured in the UK include petrol and diesel motor vehicles, parts for civil aircraft and the manufacture, installation and repair of military aircraft.

This statistical bulletin and associated data provide provisional estimates for UK manufacturers' product sales in 2014. All European Union (EU) Member States carry out annual PRODCOM surveys under EU regulation to enable comparisons and, where possible, produce a picture of emerging developments of an industry or product in a European context.

All estimates of the value of sales are reported at current prices, meaning they have not been adjusted for inflation. Due to an update of the Standard Industrial Classification (SIC), estimates prior to 2008 are not directly comparable with those after 2008 (background note 2 has more information). Estimates in this release are provisional and therefore subject to revisions as described in background note 5.

ONS makes every effort to provide informative commentary on the data in this release. Where possible the commentary draws on evidence from businesses or other reputable sources of information to help explain possible reasons behind the observed changes. However in some instances it can prove difficult to establish detailed reasons for movements, for example, businesses may state a "change in the production strategy" or "products being made under a new contract order". Consequently it is not possible for all data movements to be fully explained.

# 4. UK manufacturers' sales by product 2014

In 2014, the value of UK manufacturers' product sales was £362.3 billion, a 2.2% increase on the 2013 estimate of £354.5 billion. This is the fifth annual increase with growth since 2009, in current prices, of 20.8%.

The fall between 2008 and 2009 of nearly 10% in the value of product sales and the subsequent recovery is broadly in line with movements reported in other data sources such as the Annual Business Survey and National Accounts.

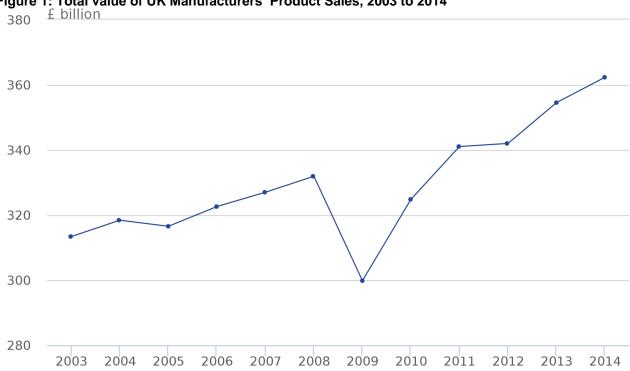


Figure 1: Total value of UK Manufacturers' Product Sales, 2003 to 2014

**Source: Office for National Statistics** 

## Notes:

1. Care should be taken when comparing estimates prior to 2008 with those after 2008 due to an industry reclassification.

# 5. Results by industrial division

The UK manufacturers' sales by product cover 25 industrial divisions (background note 7 has more details on coverage). PRODCOM estimates can be interpreted in 2 ways; in terms of businesses classified to an industry and in terms of products corresponding to an industry. In this release, product information, either individual products or total product sales, relate to products corresponding to an industry irrespective of which industry the business making the product is classified to.

Figure 2 illustrates that in 2014, the value of product sales of the 5 largest divisions accounted for over half (53.3%) of the estimated value of £362.3 billion total UK manufacturers' product sales. At the start of the economic downturn in 2008, the 5 largest industrial divisions had a 46.1% share of sales.

Food manufacturing accounted for almost a fifth (18.4%) of total product sales at £66.8 billion, making it the largest industrial division with regard to product sales. In 2008 the share of food manufacturing was 17.4%.

The manufacture of motor vehicles, trailers and semi trailers was the second largest division, with product sales of £46.0 billion; 12.7% of total UK manufacturers' sales. These 2 divisions alone make up almost a third (31.1%) of product sales in the UK.

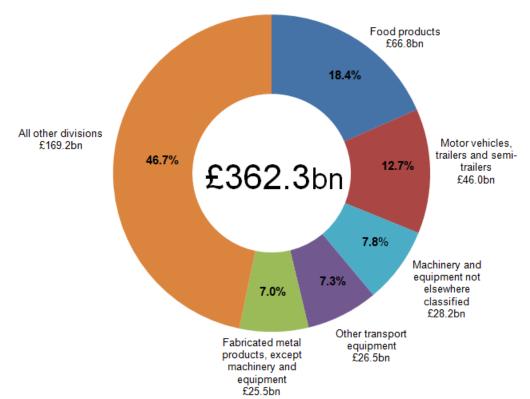


Figure 2: Contribution of 5 largest divisions to total UK manufacturers' product sales, 2014

# Divisions' contribution to growth

Table 1 shows the contribution to growth between 2013 and 2014 by industrial division. Of the 25 industrial divisions 18 experienced growth year-on-year, with the largest positive contribution to total growth coming from the manufacture of machinery and equipment not elsewhere classified (22.9%). In contrast, the manufacture of other transport equipment provided the largest negative contribution to growth (negative 12.0%) over the same period.

Table 1: Contribution to total value of product sale growth by industry, 2013 to 2014

Division	Percentage contribution to growth
Manufacture of machinery and equipment n.e.c.	22.9
Manufacture of fabricated metal products, except machinery and equipment	14.7
Manufacture of food products	14.5
Manufacture of motor vehicles, trailers and semi-trailers	13.0
Manufacture of rubber and plastic products	10.3
Printing and reproduction of recorded media	7.0
Other manufacturing	5.6
Manufacture of computer, electronic and optical products	5.5
Manufacture of other non-metallic mineral products	5.0
Manufacture of beverages	4.9
Manufacture of paper and paper products	4.5
Manufacture of textiles	4.2
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	2.9
Manufacture of furniture	2.2
Manufacture of tobacco products	1.4
Repair and installation of machinery and equipment	0.7
Manufacture of electrical equipment	0.6
Manufacture of leather and related products	0.1
Manufacture of wearing apparel	0.0
Other mining and quarrying	0.0
Manufacture of coke and refined petroleum products	-0.1
Manufacture of basic pharmaceutical products and pharmaceutical preparations	-1.0
Manufacture of chemicals and chemical products	-2.8
Manufacture of basic metals	-4.2
Manufacture of other transport equipment	-12.0

Source: Office for National Statistics

# Divisions driving growth in overall UK manufacturers' product sales

The largest contribution to growth is from the manufacture of products classified to:

- machinery and equipment not elsewhere classified (Division 28)
- fabricated metal products (Division 25)
- food products (Division 10)

# Machinery and equipment not elsewhere classified

The growth experienced by products in the machinery and equipment division not elsewhere classified, is largely the result of increased sales of high value products such as dumpers for off highway use which saw a £186.0

million (33.3%) increase in sales, as well as wheeled loaders and parts for diesel or semi diesel engines, at £97.7 million (23.4%) and £104.9 million (17.7%) respectively.

# **Fabricated metal products**

Within the manufacture of fabricated metal products, sales of doors and windows of metal increased for the fourth year running, with manufacturers' sales of both aluminium and iron/steel doors, thresholds, windows and frames increasing by £93.5 million (9.8%) and £43.8 million (11.4%) respectively since 2013.

# **Food products**

The growth in sales of food products in 2014 was, in part, the result of positive sales for operation of dairies and cheese making, with some pre packaged milk and cream products having seen a notable increase, particularly in volume sold. The manufacture of ice cream also saw growth for the fourth year in a row, with increased sales of almost £90 million (14.0%) year-on-year.

# Divisions restricting growth in overall UK manufacturers' product sales

The growth in overall UK manufacturers' product sales has been restricted by falls in the value of product sales in:

- other transport equipment (Division 30)
- manufacture of basic metals (Division 24)

# Other transport equipment

A reduction in sales from the manufacture of pleasure and sporting boats by £70.4 million (down 9.5% from 2013) is partly responsible for the negative growth for other transport equipment. Additionally, railway locomotive and rolling stock sales fell considerably year-on-year, with sales of self propelled railway or tramway coaches, vans or trucks decreasing by over £240 million (a fall of 31.5%) since 2013.

## Manufacture of basic metals

Another division that contracted between 2013 and 2014 was the manufacture of basic metals, a reduction of £327 million (negative 4.8%) in product sales. Specific industry products within this division that reported reductions in product sales included production of precious metals by £67.7 million (negative 18.3%) and the production of copper by £108.2 million (negative 18.8%).

# 6. Results by product

Table 2 shows the top 10 products with the highest sales value for 2014 and the percentage change and the change in rankings from 2013.

Table 2: Top 10 products with highest sales value, 2013 to 2014

Product description			% change	Top 10 ranking	
	2013	2014		2013	2014

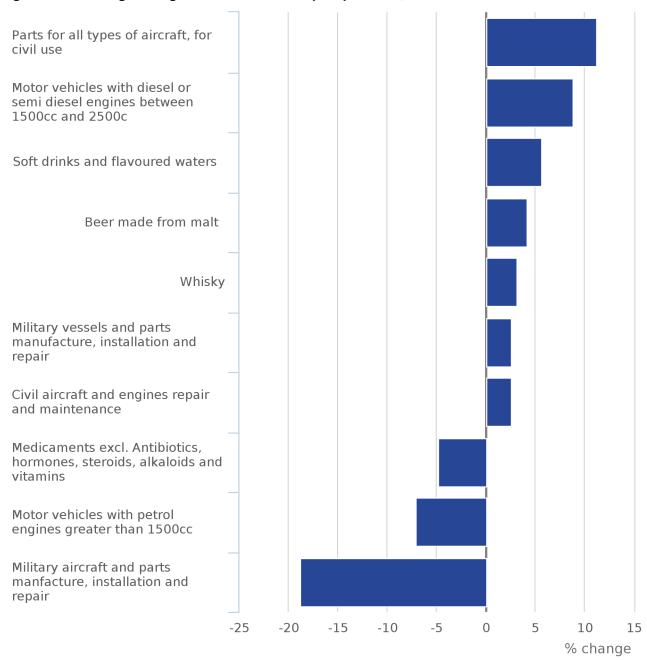
Motor vehicles with petrol engines greater than 1500cc	£13.75	£12.79	-7.02	1	1
Motor vehicles with diesel or semi diesel engines between 1500cc and 2500cc	£10.21	£11.13	8.91	2	2
Parts for all types of aircraft, for civil use	£7.59	£8.45	11.27	3	3
Military aircraft and parts manufacture, installation and repair	£7.47	£6.07	-18.73	4	4
Medicaments excl. Antibiotics, hormones, steroids, alkaloids and vitamins	£5.94	£5.65	-4.83	5	5
Soft drinks and flavoured waters	£3.44	£3.63	5.69	7	6
Civil aircraft and engines repair and maintenance	£3.52	£3.61	2.55	6	7
Beer made from malt	£3.25	£3.38	4.19	8	8
Whisky	£3.15	£3.25	3.23	9	9
Military vessels and parts manufacture, installation and repair	£3.10	£3.18	2.56	10	10

Source: Office for National Statistics

The top 10 products remained unchanged between 2013 and 2014 with only 2 products changing ranking. There are 8 core products that have consistently been in the top 10 since 2008 which makes the list very stable over the last 7 years. The products include petrol and diesel motor vehicles, beer, soft drinks, medicaments and the manufacture and repair of aircraft.

As illustrated in Figure 3, there are however changes in the value of sales of these products with 7 products increasing and 3 decreasing.

Figure 3: Percentage change in sales value of Top 10 products, 2013 to 2014



**Source: Office for National Statistics** 

#### Notes:

1. Product relates to level 3 as specified within the PRODCOM list.

#### **Motor vehicles**

Products within this category include motor vehicles with:

- petrol engine greater than 1500cc
- diesel engine between 1500cc and 2500cc

Estimates for 2014 show mixed fortunes for the motor industry, with the value of sales of petrol engine vehicles with a medium or large sized engine dropping by almost £1 billion (negative 7.0%) since 2013 to £12.8 billion.

Conversely, sales of diesel engine cars between 1500cc and 2500cc increased by a similar amount (£910 million or 8.9%) in 2014 to £11.1 billion. Sales of small petrol engine cars (below 1500cc), which are outside the top 10 products, saw a marked increase in 2014, with volume more than doubling and sales increasing.

In 2014 the UK car industry is reported by the <u>Society of Motor Manufacturers and Traders</u> (SMMT) to have had its best year in new car sales in 9 years. Influencing factors suggested by SMMT include increased investment, a growing domestic market and global demand for UK high quality built vehicles and automotive engineering.

#### Additional information:

- Society of Motor Manufacturers and Traders (SMMT) 2014 review of UK automotive industry
- Department for Business, Innovation and Skills announced a skills investment into the automotive industry in January 2015

# Aerospace and defence

Products in the aerospace and defence division which are within the top 10 products in 2014 were:

- · parts for all types of aircraft, for civil use
- manufacture, installation and repair of military aircraft and parts thereof
- repair and maintenance of civil aircraft and civil aircraft engines
- manufacture, installation and repair of military vessels and parts thereof

The importance of the aerospace and defence industry to the UK economy is highlighted with 4 products remaining in the top 10 in 2014. Three of these products have consistently been in the top 10 since 2008. The manufacture of parts for all types of civil aircraft had the highest value of product sales within this division with sales increasing 11.3% from 2013, to £8.4 billion in 2014. Civil aircraft and engines repair and maintenance and military vessels and parts manufacture, installation and repair, both had a 2.6% year-on-year growth. There was a reduction in sales for the manufacture, installation and repair of military aircraft in 2014 of 18.7% from the £7.5 billion reported in 2013.

Find out more about the UK aerospace industry in the ONS short story "What does the UK aerospace industry look like today?" published in 2014. Additional information:

- Department for Business, Innovation and Skills announced an investment into 6 aerospace projects in 2015
- ONS Business R&D (BERD) survey reported that UK aerospace R&D expenditure was worth £1.7 billion

## **Medicaments**

Results show a period of contracting sales for medicaments between 2013 and 2014, with a reduction in the value of sales of £286 million (negative 4.8%) year-on-year for other medicaments of mixed or unmixed products, packaged for retail sale, not elsewhere classified.

#### **Drinks**

The drinks industry has seen steady growth in 2014, with the top 3 drinks products each seeing increases in value of sales in excess of £100 million since 2013. Products in the drinks industry which have almost always been within the top 10 rankings since 2010 include:

- soft drinks
- beer
- whisky

The value of product sales of soft drinks increased between 2013 and 2014 by just under £200 million (5.7%) taking it into sixth position in the top 10 products, while beer and whisky sales went up by £136.0 million (4.2%) and £101.9 million (3.2%) respectively, cementing their places among the top products. The growing demand for Scotch whisky from emerging markets such as the Middle East, China and South East Asia, has been mentioned by the Scottish Government as an incentive for growth.

#### Additional information:

Scottish Government report on whisky exports

# 7. European comparison

The PRODCOM survey on production of manufactured goods is carried out annually by all EU Member States, under EU regulation, to enable comparison and, where possible, produce a picture of emerging developments in an industry or product, in a European context.

In 2012, the most recent year with comparable data, 5 EU countries, including the UK, accounted for 69.7% of the share of EU total value of manufacturers' product sales. The UK contributed between 5.0% and 10.0% of total EU manufacturers' product sales, behind Germany, France and Italy.

Figure 4 shows the share of EU27 total of top 20 products at CPA level by value of sold production. There were 5 CPA product groups that have a share representing more than 1.0% of the total sales value; 4 of the UK top 10 products fall within the EU leading products. These products are motor vehicles with petrol engines greater than 1500cc, motor vehicles with diesel or semi diesel engines between 1500cc and 2500cc, medicaments excluding antibiotics, hormones, steroids, alkaloids and vitamins and beer made from malt.

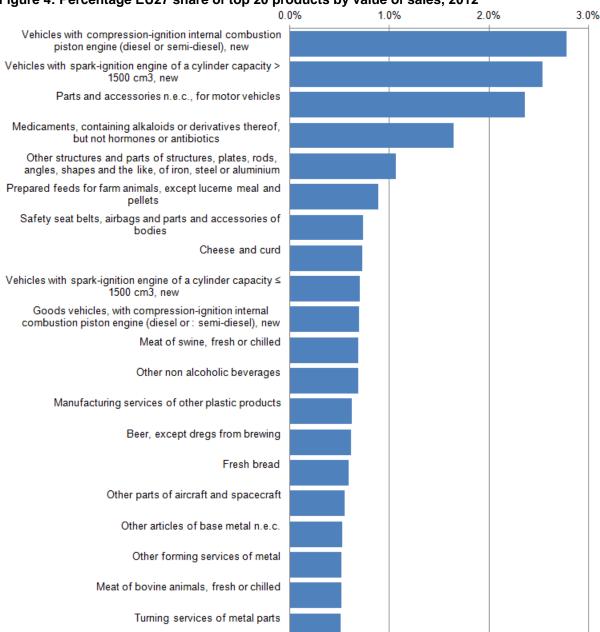


Figure 4: Percentage EU27 share of top 20 products by value of sales, 2012

## Additional information:

Eurostat PRODCOM statistics

# 8. Background notes

# 1. What's new

- PRODCOM reference tables, which were reformatted in December 2014, now include 2008 and 2009 data. Industry totals and related time series are shown in the reference tables
- A technical report that describes the methodological and technical procedures used by us to produce PRODCOM estimates has been published to complement the user guide
- A <u>user interpretation manual</u> was published in December 2014 to aid the interpretation of PRODCOM estimates. It explains the variables used in the survey and illustrates how the estimates can be used

• Since December 2014, PRODCOM estimates have also been published in <a href="Open Data format">Open Data format</a>, which is consistent with ONS policy to make data more accessible and available to users in a user friendly format. Other benefits of Open Data format can be found on the <a href="PRODCOM news page">PRODCOM news page</a>

# 2. UK Manufacturers' Sales by Product (PRODCOM) Survey

The acronym PRODCOM is derived from the French 'PRODuction COMmunautaire' (Community Production). In the UK, this was formally known as the Products of the European Community (PRODCOM) Survey. In 2014, a sample of approximately 21,500 UK businesses were selected for the survey from ONS's Inter-Departmental Business Register (IDBR). A total of 234 four-digit manufacturing industries are covered and data collected on 3,800 products as specified in the PRODCOM List. Every business is classified to a specific manufacturing industry but can manufacture a variety of products depending on its diversity. Visit the PRODCOM web pages for more in-depth information about the survey, plus the latest news on survey changes and developments.

A <u>PRODCOM Glossary of terms (80.4 Kb Pdf)</u> can be used to interpret the technical descriptions and abbreviations used throughout the report.

Data on mineral extraction collected by the Annual Minerals Raised Inquiry (AMRI) are used in the PRODCOM survey to avoid duplication and to reduce the burden on business. AMRI collects data for England, Scotland and Wales, for 25 products in the Nomenclature of European Economic Activities (NACE) divisions 0811, 0812 and 0893. Northern Ireland data is collected by PRODCOM for the same divisions. AMRI data have been estimated for 2013 and 2014. Data for 2013 will be updated during the next round of 2013 revisions in December 2015 with 2014 data to be published at a later date.

An extensive revision of <a href="NACE">NACE</a> in 2007 lead to a revision of the UK <a href="Standard Industrial Classification">Standard Industrial Classification</a> (UK SIC), bringing both of the classifications in line. This resulted in changes to PRODCOM estimates for the 2008 survey onwards. All PRODCOM industry sectors now align exactly to the NACE classification. PRODCOM reports for data pre-2008 are available on request from <a href="mailto:prodcompublications@ons.gsi.gov.uk">prodcompublications@ons.gsi.gov.uk</a>.

ONS investigated the possibility of creating a back series, prior to 2008 and total UK Manufacturers' product sales prior to 2008 have now been published. However due to the industry reclassification in 2008, there may be comparability issues between the pre and post-2008 estimates. This is due to the differences in the sample and which businesses were in scope of the survey. For example, the definition of Manufacturing under SIC 2007 is different to the definition under SIC 2003. Some activities that were previously defined to be manufacturing are no longer defined as manufacturing under the new classification and vice versa. So, the series are discontinuous.

The estimates in the accompanying reference tables are presented by manufacturing 'Division' divided into "Industries", followed by product aggregates and then individual products. The <a href="PRODCOM list">PRODCOM list</a>, which is set by the European Commission, contains a comprehensive breakdown of industries. The structure of the PRODCOM codes are derived from various <a href="classification systems">classification systems</a>. An example of the hierarchy of the published data is as follows:

#### Division: 10 - Manufacture of food products

- Division: 10 Manufacture of food products
  - O Industry code: 10.83 Processing of tea and coffee
    - Product aggregate code: 10.83.11 Coffee, decaffeinated or roasted
      - > Product code: 10.83.11.30 Decaffeinated coffee, not roasted
      - > Product code: 10.83.11.50 Roasted coffee not decaffeinated
      - > Product code: 10.83.11.70 Roasted decaffeinated coffee

Although products are classified under an industry classification, businesses outside these industry classifications can produce these products. In the same way, businesses within an industry classification can manufacture products outside the industry. Each business can therefore span a variety of products depending on its diversity.

#### 3. PRODCOM Quality Information

A <u>Quality and Methodology Information Report (301.5 Kb Pdf)</u> (QMI) can be found on the Office for National Statistics (ONS) website. The aims of the QMI report are to provide users with a greater understanding of ONS's statistics, their quality and the methods that are used to create them.

A report on <u>PRODCOM EU methodology</u> is also available from the Eurostat website. Eurostat also produce an annual <u>PRODCOM Quality Report</u> containing comprehensive quality information based on the latest data received from all EU members.

The following information is available to users for each PRODCOM Commodity Code:

- an estimate of standard error
- standard error as a percentage of the published value (the coefficient of variation)
- number of businesses providing data at the product level
- total employment of businesses providing data for the product

Standard errors are an estimate of the sampling error, which arises because an estimate is based on a survey rather than a population census. It is a measure of the precision of the estimate. A low standard error therefore indicates a more precise estimate. To aid comparison and interpretation, the standard error is also expressed as a percentage of the product's estimated total sales. This quantity is sometimes called the coefficient of variation and it allows the standard errors to be put into context.

Standard error estimates are available for most product level value estimates. The latest data are available in the accompanying publication tables. Further information on PRODCOM standard errors and coefficient of variation is available in the <u>technical report</u>.

#### 4. Uses of the data

The European Commission and national governments need data to monitor industry and markets and to develop their corresponding policies. To meet these requirements, Eurostat and Member States have developed the PRODCOM system and disseminate data which allows international comparisons between all Member States and other countries. The enterprises benefit from data provided by the PRODCOM system which allow them to evaluate markets and opportunities for development.

By combining PRODCOM with overseas trade data, users can derive various other statistics. For example: the <u>trade balance</u>, the UK net supply to the market and unit prices for production, imports and exports; all at the product level. Caution should be taken when combining PRODCOM data with HMRC data for reasons outlined in Background Note 8.

A summary of the users and uses of PRODCOM Statistics is given in the <u>User Engagement for the PRODCOM Survey</u>. Some of the known users of PRODCOM statistics are:

- the European Commission
- the national governments and their national authorities (i.e. public institutions, central and local administrations)
- businesses and trade associations
- the research institutions and students

#### • the media

There are numerous other users who use the data to produce various analyses and to inform policy decisions. Some specific examples are provided below.

EU anti-dumping cases: EU PRODCOM survey data are regularly used in matters relating to <u>EU anti-dumping cases</u> providing vital product information for scrutiny during formal investigations.

Environmental statistics: Increasingly the data are used in analysis relating to environmental statistics such as ONS' review of measuring the environmental goods and services sector (107.2 Kb Pdf) which utilises PRODCOM data in an aim to identifying potential 'green' products.

UK National Accounts: PRODCOM outputs are required as part of the National Accounts Supply Table, an integral part of the annual Supply and Use Tables balancing process which is used to reconcile the three approaches to measuring Gross Domestic Product (GDP) and Gross National Income (GNI).

Producer Prices: The PRODCOM Survey data identifies businesses that make particular products, and therefore are used to create a sampling frame for the ONS Producer Prices Index.

Further details on uses of the data are available from the PRODCOM technical report.

#### 5. Revisions

Provisional survey estimates are published 6 months after the end of the reference period, intermediate estimates 12 months after the end of the reference period and a final set of estimates 24 months after the reference period.

PRODCOM estimates are revised in line with the <u>ONS Revisions Policy</u>. Users of this release are advised to read this policy before using the data for research or policy related purposes.

Planned revisions usually arise from either the receipt of additional data or the correction of errors to existing data by businesses responding to the PRODCOM survey. Those of notable magnitude are explained. All other revisions will be regarded as unplanned and will be dealt with by non-standard releases. All revisions will be released in compliance with the same principles as other new information.

The tables below outline the extent of the revisions, for the total value of UK manufacturers' product sales, for the last 4 years of data:

Table 3: Values at each publication date

				£ billion
Publication Date		Reference	ce year	
	2011	2012	2013	2014
Jun-12	339.7	-	-	-
Dec-12	338.0	-	-	-
Jun-13	338.0	342.2	-	-
Dec-13	338.1	341.7	-	-
Jun-14	340.3	343.8	355.0	-
Dec-14	341.0	342.0	354.5	-
Jun-15	341.0	342.0	354.5	362.3

Source: Office for National Statistics Table notes: 1. In June 2014 data for reference years 2012 and 2011 were revised outside of normal revisions cycle as noted in Background Note 2. 2. Totals published in this release include data for the Manufacture of Military fighting vehicles and Manufacture of tubes, pipes, hollow profiles and related fittings, of steel. These data have been published for the first time in 2013 to provide additional data for users. Data has been revised for 2010 to 2012 in order to include the two additional products.

Table 4: Percentage difference since the previous publication

£ billion

Publication Date		Reference year			
	2011	2012	2013	2014	
Jun-12	-	-	-	-	
Dec-12	-0.5	-	-	-	
Jun-13	0.0	-	-	-	
Dec-13	0.0	-0.1	-	-	
Jun-14	0.6	0.6	-	-	
Dec-14	0.0	-0.7	-0.1	-	
Jun-15	0.0	0.0	0.0	-	

Source: Office for National Statistics

#### Notes:

- 1. In June 2014 data for reference years 2012 and 2011 were revised outside of normal revisions cycle as noted in Background Note 2.
- 2.Totals published in this release include data for the Manufacture of Military fighting vehicles and Manufacture of tubes, pipes, hollow profiles and related fittings, of steel. These data have been published for the first time in 2013 to provide additional data for users. Data has been revised for 2010 to 2012 in order to include the two additional products.

# 6. Response rates

These provisional estimates are based on a response rate of 79.8%. Late and revised returns are included in the intermediate and final estimates, which explain the higher response rates for past years.

**Table 5: Response rates** 

Period (Estimate)	%
2014 (provisional)	79.8
2013 (intermediate)	84.1
2013 (provisional)	80.1
2012 (final)	84.0
2011 (final)	83.4
2010 (final)	82.1

Source: Office for National

Statistics

## 7. General information

PRODCOM is based on a list of products known as the <u>PRODCOM list</u>, which comprises about 3,800 standard headings relating to manufacturing products and some services. The PRODCOM list is updated annually to allow for the addition and deletion of products as the market evolves. It is used for clarification of product definitions and corrections where identified.

Product information is collected from the following Divisions:

Table 6: Industry coverage

Divisio	on Title
8	Other mining and quarrying
10	Food products
11	Beverages
12	Tobacco products
13	Textiles
14	Wearing Apparel
15	Leather and related products
16	Wood and of products of wood and cork (except furniture); articles of straw and plaiting materials
17	Paper and paper products
18	Printing and reproduction of recorded media
19	Coke and refined petroleum products
20	Chemicals and chemical products
21	Basic pharmaceutical products and pharmaceutical preparations
22	Rubber and plastic products
23	Other non-metallic mineral products
24	Basic metals
25	Fabricated metal products (except machinery and equipment)
26	Computer, electronic and optical equipment
27	Electrical equipment
28	Machinery and equipment, not elsewhere classified
29	Motor vehicles, trailers and semi-trailers
30	Other transport equipment
31	Furniture
32	Other manufacturing
33	Repair and installation of machinery and equipment

Source: Office for National Statistics

Industry classification 2410, 2432 and 2433 are collected by the <u>Iron and Steel Statistics Bureau</u> (ISSB). The data are supplied to Eurostat, but are marked as confidential and not published. They are not included in the overall UK manufacturers' product sales figures.

Data for Division 58 - Publishing is collected but not published as part of this bulletin. These data are not a requirement of the EU and are collected to ensure complete coverage of products in (and therefore the quality of estimates in) Division 18 - Printing. Data for Division 58 are available on request from <a href="mailto:prodcompublications@ons.gsi.gov.uk">prodcompublications@ons.gsi.gov.uk</a>.

### 8. Data strengths and limitations

PRODCOM provides a comprehensive picture of industrial production in the UK. The reference tables associated with this release provide estimates of value, volume, and unit values (value per unit of volume) for each product group, where possible. In the releases published up to June 2013 provisional estimates, estimates of Intra and Extra EU Imports and Exports were also reported alongside estimates of PRODCOM sales. These data are collected by HMRC, and are matched with the PRODCOM codes and included within the PRODCOM tables for the benefit of demonstrating the UK trade balance, and UK Net Supply by product.

Due to comparability issues between the HMRC trade and PRODCOM data, and following discussion with users, ONS ceased to include the trade data in PRODCOM releases from the 2013 Intermediate publication in December 2014. Users who require the trade data may obtain it directly from the <a href="HMRC">HMRC</a> website but should consider the comparability issues between the 2 data sources when drawing comparisons as summarised below. A review of the trade data published alongside PRODCOM will be undertaken with the view to reintroduce it if it is possible to improve comparability. Updates of progress will be available on the <a href="PRODCOM News page">PRODCOM News page</a>.

The <u>HMRC</u> data are collected using the <u>Combined Nomenclature</u> (CN), a different coding frame to PRODCOM. The <u>PRODCOM Quality and Methods (301.5 Kb Pdf)</u> Information (QMI) report provides a diagram (on page 3) to demonstrate the links between the PRODCOM list and the CN, which then links up to the <u>Harmonised System</u> (HS) codes at a world-wide level.

For some products, the PRODCOM and Trade Data collect different units of volume (for example number of items and kilograms). In these cases the volumes and unit values (for example £ per item/kilogram) are not comparable.

More details on the inconsistencies between PRODCOM and the HMRC Trade Statistics are given in the QMI report. Differences with other surveys collecting information on similar topics are also highlighted in the PRODCOM QMI (301.5 Kb Pdf) and technical reports. For example, PRODCOM focuses on products, and the Annual Business Survey (ABS) focuses on activities. The total value of product sales for businesses in an industry may be different to the turnover reported by ABS for the same industry group. Enterprises may carry out other activities besides production that contribute to its turnover.

All estimates of the value of sales are presented at current prices, meaning that they have not been adjusted for inflation; this is important to bear in mind when comparing value changes over time.

# 9. Definitions of symbols used

The sum of constituent items in tables may not always agree exactly with the totals shown due to rounding.

The following symbols are used in the accompanying tables:

S Suppressed as disclosive S\* Suppressed as disclosive but included in the aggregated for UK Manufacturer Sales of "Other" products aggregated for UK in the Sales and Turnover table N/A Data not available E Data has low response, and therefore a high level of estimation, which may impact on the quality of the estimate

#### 10. Disclosure

ONS is required to maximise access to data, while safeguarding the confidentiality of individual business data. ONS is bound by the Statistics and Registration Services Act 2007 and the National Statistics Code of Practice to ensure data is kept confidential.

An initial review of the disclosure control method used by PRODCOM confirmed that it is in line with the Government Statistical Service (GSS) <u>Disclosure Control Policy</u>. Unfortunately, the detailed level of estimates often leads to PRODCOM estimates being suppressed. This is because there are either a small number of producers, or there is a dominant producer and the risk of disclosing the sales figures for an individual business is high.

There is already a process in place to write to businesses and ask permission to publish PRODCOM estimates where there is a risk that their data is disclosed. ONS is currently carrying out a further review of the disclosure control methods for PRODCOM to improve the utility of the estimates while maintaining confidentiality.

## 11. National Statistics

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- · meet identified user needs
- are well explained and readily accessible
- · are produced according to sound methods
- are managed impartially and objectively in the public interest

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

# 12. Social media

Follow ONS on Twitter and receive up to date information about our statistics.

Like ONS on Facebook to receive our updates in your newsfeed and to post comments on our page.

## 13. Government Statistical Service (GSS) business statistics

To find out about other official business statistics, and choose the right data for your needs, use the <u>GSS</u> <u>Business Statistics Interactive User Guide</u>. By selecting your topics of interest, the tool will pinpoint publications that should be of interest to you, and provide you with links to more detailed information and the relevant statistical releases. It also offers guidance on which statistics are appropriate for different uses.

## 14. Discussing ONS business statistics online

There is a <u>Business and Trade Statistics</u> community on the <u>StatsUserNet</u> website. StatsUserNet is the Royal Statistical Society's interactive site for users of official statistics. The community objectives are to promote dialogue and share information between users and producers of official business and trade statistics about the structure, content and performance of businesses within the UK. Anyone can join the discussions by registering via either of the links above.

#### 15. ONS theme pages

Statistics are available on the ONS web pages categorised by themes, subject areas, topics and subtopics. If you are interested in statistics on a particular issue, navigating through the categories will identify all the statistics available that relate to the selected theme, topic or sub-topic.

For business themed short stories and articles please visit the Business and Energy theme page

# 16. Special Events

ONS has published commentary, analysis and policy on 'Special Events' which may affect statistical outputs. For full details visit the <a href="Special Events">Special Events</a> page on the ONS website.

## **Release Policy**

17. Details of the policy governing the release of new data are available by visiting <a href="www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html">www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html</a> or from the Media Relations Office email: <a href="media.relations@ons.gsi.gov.uk">media.relations@ons.gsi.gov.uk</a>

These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.