

# **Annual Industrial Products Survey**

## **Methodology**

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## 1 Introduction

The Industrial Products Survey forms part of the plan to modernise and adapt industrial statistics oriented to facilitate co-ordination of statistics on industrial production in European Union countries.

The Annual Industrial Products Survey is an annual statistical operation destined to provide as quickly as possible specific and reliable information on a set of industrial products (around 5000) that cover a significant portion of the Spanish industrial sector.

The National Classification of Economic Activities is used in the preparation of the survey. For the survey referring to the year 2008 and subsequent years, the classification used is National Classification of Economic Activities 2009 (CNAE-2009). For the surveys referring to the years 1993 to 2007, the CNAE used is the classification in force for said years, CNAE-93.

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## 2 Objectives

The main objectives of the survey are the following:

1. To make complete and recent information available on industrial sector products by offering detailed results that facilitate studying a wide range of products, analysis of their markets and the evolution of their chronological series.
2. To present information that is completely integrated with the corresponding foreign trade data.
3. To provide complete information with the rest of the community countries, thanks to the application of common methodologies that facilitates useful, reliable, quick and detailed information for the management of the community market.
4. To disseminate the annual industrial production information in the least possible time, half a year approximately, after the end of the data reference year.

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## 3 Survey units

**The information** or observation unit to which the questionnaire data refers is the industrial establishment or local unit. This is understood to be any unit that produces industrial goods and services, located in a defined physical location, which is under the management control of just one company.

The **informant unit**, the one responsible for supplying data, is the company. This is understood to be the smallest legally autonomous unit that has or uses one or more establishments.

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## 4 Content

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### 4.1 POPULATION SCOPE:

- The **population** object of study is directed at industrial establishments (independent of the main activity of the company to which they belong) necessary to cover 90% of the production from each CNAE-09 class (4 digits).

The industrial establishments belonging to companies with 20 or more employees are surveyed for each one of these classes. For certain classes (more than 50%), industrial establishments from companies with less than 20 employees are surveyed.

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### 4.2 TERRITORIAL GEOGRAPHICAL SCOPE

- The **territorial scope** of the survey extends to the whole country except Ceuta and Melilla.

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### 4.3 TEMPORAL SCOPE

- As for the **temporal scope**, this is a continuous survey and its period refers to the natural year.

When the production cycle does not correspond to the calendar year, the information requested refers to the production carried out during the campaign that has ended within the survey reference year.

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### 4.4 SCOPE OF THE INFORMATION

- The **information object of the survey** is mainly defined by means of the PRODCOM list of products. This is an acronym in Spanish made up of the first two syllables of COMMunity PRODUCTION and consists of a list of harmonised industrial products and services with the European Union foreign trade or combined nomenclature classification. The European PRODCOM list encompasses the extractive industries and the manufacturing industry (sections B and C of CNAE-09).

Each product is defined by reference to one or various articles from this foreign trade combined nomenclature which will facilitate comparison of industrial production data with those obtained by means of foreign trade statistics.

Each heading from the PRODCOM list is represented by an 8-digit code that admits the possibility of adding a ninth digit for the relevant specifications for each country.

The Spanish PRODCOM list consists of three headings with 10-digit codes. Apart from adding the ninth significant digit for certain typically Spanish products such as olive oil, two sided tanned ovine leathers etc., or for products that are researched in Spain and that are not part of the European PRODCOM list, such as petroleum refinery, production of electrical energy, etc. (for the remaining products, said ninth digit is zero), a tenth control digit has also been incorporated with the objective of verifying recording or transcription errors during treatment of the data.

The meaning of the first eight digits is the following: the first four coincide with the CNAE-09 National Classification of Economic Activities that coincides exactly with the Nace Rev. 2 European Union Economic Activities Statistical which entered into force in 2008. The first six make up the integration corresponding to the APC, Classification of Products by European Union Activities. The seventh and eight digits indicate the classification for each one of the PRODCOM products within each APC heading.

For the Processing and preserving of fish, crustaceans and shellfish, Manufacture of oils and fats, Preparation of milk and its derivatives and Production of electrical energy classes, the coincidence of the first 4 digits with CNAE-09 is only carried out in the first three, since these classes have been broken down on a national level with regard to NACE Rev 2.

The Industrial Products Survey carried out by the INE includes the manufacturing industry and the production of electricity, gas, steam (sections C and D of CNAE-09). It **does not cover**:

- The extractive industries (section B of CNAE-09) studied by the Ministry of Industry, Tourism and Trade
- The processing of nuclear fuels and the transport, distribution and trade of electrical energy and gas (not collected in the survey).

These are outside the scope of the survey:

- Non-economic industrial activities, in other words, those that produce goods and services not destined for sale.
- Repair activities of certain consumer goods.
- Industrial activities carried out in establishments whose main activity is non-industrial.

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## 5 Variables

Variables from the survey are the quantity and value of products mainly selected from the PRODCOM list.

As a general rule all **products are measured** in **quantity** and **value**.

Nevertheless, for certain products, only information for the value of products is required. These headings are usually those that refer to:

- Repair, installation and maintenance services
- Parts and components
- Headings whose description covers very diverse products.

The **value** always refers to the commercialised product.

The **valuation criteria** used to account for the **value** is the net sales average price. In other words, it **includes** the costs of packaging and **excludes** VAT and other taxes on consumption, sales for clients and transport costs invoiced separately.

**Quantities** are **measured** with **two different** criteria:

- 1 For the majority of products quantities refer to production invoiced or sold coinciding therefore with the criteria to measure the value.
- 2 For a series of products, the quantity requested is that produced and destined for sale (sales + supplies), plus what is reused in the process.

Not all headings in the PRODCOM list refer to physical products. Also included are codes corresponding to perfectioning operations, repair and maintenance as well as assembly work, all designated as **industrial services**. Said codes do not correspond to the nomenclature of foreign trade.

**Perfectioning, treatment or finishing** is understood to be those operations that once they have been carried out, do not alter the form of the product such as dyeing, soaking, varnishing, nickelling, etc.

Distinction is made between the perfectioning of goods produced by the company (direct perfectioning), the perfectioning of purchased products (personal perfectioning work) and perfectioning as the subcontracting of products belonging to a third party (perfectioning for others). Only the latter two are assigned in the finishings headings created for such a purpose.

The finishing of products manufactured by the company is classified along with the product.

**Repair and maintenance** work is classified in codes created for such a purpose and its value corresponds to invoiced repair and maintenance costs. Repair and maintenance costs that revise the nature of **large repairs** and transform the product to a large extent (changing nearly all the parts of a machine, changing the design of a piece of jewellery, fur etc.) are considered production and are classified in the corresponding product codes instead of by their repairs.

Although there is a general rule by which repair and maintenance services linked to the manufacture of industrial equipment are always included in the industrial sector, there are exceptions to this rule in cases of:

- Repair of motorcars and mopeds (CNAE 4520 - 4540)
- Repair of computers, personal effects and household items (CNAE 95).

**Assembly or installation** is considered to be the assembly of various elements in just one product or various products in order to form a more complex installation.

If the same company also manufactures assembled products, the assembly is coded together with the manufactured product in the corresponding product code.

When the company that assembles is different from the manufacturer the assembly value is coded in the PRODCOM codes established for this purpose. The value of the assembly service includes invoiced assembly expenses plus the cost of the materials necessary to carry out the service and exclude the value of the products invoiced, not manufactured by the company responsible for carrying out the assembly.

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## 6 Collection method

To facilitate collection of the information object of the survey the varied and detailed world of industrial production has been divided into 81 sectors, two of them covered by the Ministry of Industry, Tourism and Trade (extraction of metallic and non-metallic ores) and the rest by the INE.

A different questionnaire has been designed for each one of these sectors. The products belonging to economic activities that present a series of common characteristics have been grouped into each one of them.

In many questionnaires apart from including the typical products for their activities, other so called "atypical" ones corresponding to possible secondary activities derived from the main one that may be practised in the same establishment, are included.

The list of similar activities that groups and whose products are covered in the questionnaire appears on the front of all questionnaires.

Every establishment should be coded according to the CNAE corresponding to its main activity. This is defined as the one that provides the greatest added value and in its defect the one that generates greater value or uses a greater number of people.

The **information collection** is carried out by means of the CCU (centralised collection unit) in which the collection of data from various provinces is centralised. The collection is carried out via print or electronic questionnaire.

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## **7 Treatment of the information**

Once the questionnaires have been recorded, the promoter unit carried out coverage of the information with the objective of avoiding duplications and incoherence detected in the recording.

A micro filtering process is subsequently carried out to detect errors of omission or inconsistency for the questionnaire content.

Once these errors have been corrected the non-response (approximately 3%) is estimated and an analysis tables is obtained to detect by means of macro filtering technique comparative errors with national results from previous years.

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## **8 Dissemination of the results**

The tables presented offer both national and Autonomous Community results.

As for national results a set of tables is presented with the quantity and value of the 4,000 industrial products placed in each one of the 79 industrial sectors object of the survey carried out by the INE.

The results by Autonomous Communities are presented in two blocks of tables. The first block covers for each one of the 16 main groups and the national total the information in value and percentage, broken down by Autonomous Communities and the second block covers for each one of the Autonomous Communities the results in value and percentage for each one of the 16 main groups.

The dissemination of the survey results is not limited to the tables offered in the publication. As long as statistical secrecy permits this, personal data requests can be dealt with, with the required detail and in the support or format chosen by users.