CENTRAL STATISTICAL OFFICE

Economic Trends

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Contents

Introduction

Economic Trends brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy.

'Latest developments' presents the most up-to-date statistical information available during the month. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier. All data in this section are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

The main section is based on information available to the CSO on the date printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The March, June, September and December issues carry further graphs showing separately the movements in all of the 27 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. An article on international economic indicators also appears monthly. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. Some data, particularly for the latest time period, are provisional and may be subject to revisions in later issues.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Almost all quarterly data are seasonally adjusted; those not seasonally adjusted are indicated by NSA.

4. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

5. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

6. 'Billion' denotes one thousand million.

7. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.

8. There is no single correct definition of *money*. Consequently, several definitions of money stock are widely used:

M0 the narrowest measure consists of notes and coin in circulation outside the Bank of England and bankers' operational deposits at the Bank.

M2 comprises notes and coin in circulation with the public *plus* sterling retail deposits held by the UK private sector with UK banks and building societies.

M4 comprises notes and coin in circulation with the public, together with all sterling deposits (including *certificates of deposit*) held with UK banks and building societies by the rest of the private sector.

The Bank of England also publish data for liquid assets outside M4.

9. Symbols used:
   .. not available
   - nil or less than half the final digit shown
   + alongside a heading indicates a series for which measures of variability are given in the table on page 80
   † indicates that the data has been revised since the last edition; the period marked is the earliest in the table to have been revised
   * average (or total) of five weeks.

The Editor would welcome readers' suggestions for improvements to *Economic Trends*.

Central Statistical Office, 16 March 1993

CSO Databank

Virtually all the series in *Economic Trends* and the Quarterly Articles may be obtained as part of the CSO Databank Service on tape or disk. The appropriate four digit identifier is included at the top of the column or start of a row of figures. This enables users to obtain (in computer-readable form) a much more comprehensive and up-to-date set of long run macro-economic time series data than can be included in this publication. The tape format, unlabelled EBCDIC, is the same for all datasets. The disks, either $3^1/_2$" or $5^1/_4$" are written in ASCII text which can be loaded as spreadsheets and viewed using standard spreadsheet packages, such as LOTUS or SMART.

Details of the service offered and the schedule of charges may be obtained from the Databank Manager, CSO Information Systems Branch, Room 52/4, Government Offices, Great George Street, London, SW1P 3AQ (telephone 071-270 6386). CSO does not offer direct on-line access for these data but a list of host bureaux offering such a facility is available on request from CSO.

IMPORTANT CHANGES TO 'ECONOMIC TRENDS'

New CSO publication *UK Economic Accounts; a quarterly supplement to Economic Trends*

As from this month, the CSO will be publishing a new quarterly supplement. It will contain regular quarterly National Accounts and Balance of Payments articles and tables as well as a section on key economic developments. As a result of this separate publication, the quarterly National Accounts and Balance of Payments articles will no longer appear in *Economic Trends* itself.

The supplement will be available without extra charge to subscribers for the rest of the year and the first issue will be available very shortly. It will enable information about the National Accounts to be made available to readers earlier than was previously the case.

If you have any questions about the new supplement, please contact Liza Murray at the CSO on 071-270 5783.

New article to replace 'Latest developments in the economy'

From the April edition of *Economic Trends* a new monthly article will be introduced entitled 'Economic Update'. This will replace 'Latest developments in the economy' and consist of a general overview of key economic indicators. There will also be an accompanying table, which will replace the current table 1 'Selected monthly indicators'.

For this issue, 'Latest developments in the economy' has been moved to pages 112/113.

Renumbering of tables in *Economic Trends*

From the April edition the three labour force survey tables, currently numbered 41-43 will be repositioned to the same part of the book as the other employment-related tables. They will now be numbered 22-24 respectively. Henceforth, the numbers of the existing tables 22-40 will also change to 25-43 respectively, but the table order will remain the same.

INTERNATIONAL ECONOMIC INDICATORS

INTRODUCTION

The series presented here are taken from the Organisation of Economic Co-operation and Development's (OECD) Main Economic Indicators, except for the United Kingdom where several of the series are those most recently published. The series shown are for each of the G7 economies (United Kingdom, Germany, France, Italy, United States, Japan and Canada) and for the European Communities (EC) and OECD countries in aggregate. For countries other than the UK, the data are those available at 16 March 1993.

2. The length and periodicity of the series have been chosen to show their movement over a number of years as well as the recent past. There is no attempt here to make cross country comparisons across cycles. Further, because the length and timing of these cycles varies across countries, comparisons of indicators over the same time period should be treated with caution.

COMMENTARY

3. Between the third and fourth quarters of last year, Gross Domestic Product (GDP) rose by $1^{1}/_{4}$ per cent in the United States to continue the growth observed since early 1991. GDP also rose in Canada - by $^{3}/_{4}$ per cent. In Japan it was broadly unchanged. Within the EC, GDP rose by $^{1}/_{4}$ per cent in the United Kingdom. In France it fell by $^{1}/_{2}$ per cent. In Germany, where it declined for the third successive quarter, GDP fell by $^{3}/_{4}$ per cent.

4. Consumer price inflation in the United States rose from 2.9 per cent to 3.3 per cent between December and January. That in Japan rose to 1.0 per cent. Within the EC, the rate for the UK fell from 2.6 per cent to 1.7 per cent between the same months. The rate for France rose from 2.0 per cent to 2.1 per cent. The inflation rate for Germany rose from 3.7 per cent to 4.4 per cent in January but fell back a little in February.

5. The standardised unemployment rate for the Major 7 economies as a whole, rose slightly to 7.0 per cent in December of last year. In January the rate for the United States was 7.0 per cent. In December the rate for Japan was 2.4 per cent. The unemployment rate rose by 0.1 per cent to 9.8 per cent in the EC as a whole where, save for Germany, rates were generally higher. Within the EC, the UK rate rose to 10.7 per cent, that of Germany rose to 5.2 per cent and that of France remained unchanged at 10.5 per cent.

1 Gross domestic product at constant market prices: index numbers

1985 = 100

	United Kingdom	Germany[1]	France	Italy	EC	United States	Japan[2]	Canada	Major 7	OECD
	FNAO	GABI	GABH	GABJ	GAEK	GAEH	GAEI	GAEG	GAEO	GAEJ
1980	90.5	94.6	92.7	93.3	93.0	88.2	82.9	86.7	88.7	88.9
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	104.1	102.2	102.5	102.9	102.8	102.9	102.6	103.3	102.9	102.9
1987	109.1	103.5	104.8	106.1	105.8	106.1	107.1	107.6	106.2	106.3
1988	114.0	107.3	109.5	110.5	110.2	110.3	113.8	113.0	110.9	110.9
1989	116.4	111.0	114.0	113.7	114.1	113.0	119.3	115.6	114.5	114.5
1990	117.0	116.8	116.6	116.2	117.2	114.0	125.0	115.0	116.8	117.1
1991	114.4	121.2	117.9	117.9	118.8	112.6	130.0	113.1	117.3	117.8
1992	113.6	122.6	120.0	..	..	115.0	132.4	114.1	..	..
1990 Q1	117.9	114.7	116.4	115.7	116.8	114.3	122.6	116.2	116.4	116.7
Q2	118.2	115.8	116.3	115.7	117.0	114.6	124.6	115.6	116.9	117.2
Q3	116.5	117.9	117.0	116.8	117.6	114.1	125.9	114.9	117.1	117.4
Q4	115.3	118.9	116.7	116.7	117.6	112.9	127.1	113.6	116.7	117.1
1991 Q1	114.8	120.5	116.7	117.2	118.1	112.1	129.1	111.9	116.7	117.1
Q2	114.0	121.6	117.5	117.8	118.7	112.6	129.9	113.4	117.2	117.7
Q3	114.3	121.5	118.6	118.0	119.1	112.9	130.5	113.5	117.6	118.1
Q4	114.2	121.3	118.8	118.7	119.3	113.1	131.1	113.5	117.8	118.3
1992 Q1	113.6	123.3	119.7	119.4	119.6	113.9	132.5	113.6	118.7	119.0
Q2	113.4	123.0	120.1	119.7	119.6	114.3	132.5	113.7	118.9	119.3
Q3	113.6	122.5	120.5	118.9	..	115.3	131.7	114.0	119.1	..
Q4	114.0	121.5	119.9	..	..	116.6	131.8	114.9	..	..
Percentage change, latest quarter on corresponding quarter of previous year										
1992 Q3	*–0.6*	*0.8*	*1.6*	*0.8*	..	*2.1*	*0.9*	*0.4*	*1.3*	..
Q4	*–0.2*	*0.2*	*0.9*	..	..	*3.1*	*0.5*	*1.2*	..	..
Percentage change, latest quarter on previous quarter										
1992 Q3	*0.2*	*–0.4*	*0.3*	*–0.7*	..	*0.9*	*–0.6*	*0.3*	*0.2*	..
Q4	*0.3*	*–0.8*	*–0.5*	..	..	*1.1*	*0.1*	*0.8*	..	..

1 Western Germany (Federal Republic of Germany before unification)
2 GNP

2 Consumer prices[1] Percentage change on year earlier

	United Kingdom	Germany[2]	France	Italy	EC	United States	Japan	Canada	Major 7	OECD
1980	18.0	5.5	13.6	21.0	13.7	13.5	8.0	10.1	12.6	13.5
1985	6.1	2.2	5.8	8.6	6.2	3.5	2.0	4.0	4.0	4.9
1986	3.4	–0.1	2.7	6.1	3.7	1.9	0.4	4.2	2.1	3.0
1987	4.2	0.2	3.1	4.6	3.4	3.6	–0.2	4.3	2.9	3.6
1988	4.9	1.3	2.6	5.0	3.6	4.1	0.5	4.0	3.3	4.3
1989	7.8	2.8	3.7	6.6	5.2	4.8	2.3	5.0	4.6	5.4
1990	9.4	2.7	3.4	6.0	5.6	5.5	3.1	4.8	4.9	5.8
1991	5.9	3.5	3.2	6.5	5.1	4.2	3.3	5.6	4.4	5.2
1992	3.8	4.0	2.5	5.3	4.3	3.0	1.6	1.5	3.1	4.3
1991 Q1	8.7	2.7	3.4	6.7	5.6	5.3	3.8	6.4	5.0	5.8
Q2	6.1	3.1	3.2	6.7	5.1	4.9	3.4	6.2	4.6	5.4
Q3	4.8	4.2	3.0	6.3	5.0	3.8	3.2	5.7	4.1	5.0
Q4	4.1	4.0	2.9	6.1	4.7	3.0	2.8	4.1	3.4	4.4
1992 Q1	4.1	4.3	3.0	5.6	4.7	2.9	1.8	1.7	3.2	4.4
Q2	4.1	4.5	3.1	5.5	4.7	3.1	2.3	1.4	3.3	4.5
Q3	3.6	3.4	2.7	5.3	4.1	3.1	1.6	1.3	3.0	4.2
Q4	3.1	3.6	2.1	4.8	3.8	3.0	0.7	1.7	2.8	4.1
1992 Mar	4.0	4.8	3.2	5.5	4.8	3.2	1.8	1.6	3.3	4.5
Apr	4.3	4.6	3.1	5.4	4.8	3.2	2.4	1.7	3.4	4.6
May	4.3	4.6	3.2	5.6	4.9	3.0	2.0	1.4	3.2	4.5
Jun	3.9	4.3	3.0	5.4	4.6	3.1	2.2	1.1	3.2	4.4
Jul	3.7	3.3	2.9	5.4	4.2	3.2	1.5	1.3	3.1	4.2
Aug	3.6	3.5	2.7	5.2	4.1	3.1	1.6	1.2	3.0	4.2
Sep	3.6	3.6	2.6	5.1	4.1	3.1	2.0	1.3	3.0	4.3
Oct	3.6	3.7	2.5	4.8	4.0	3.2	0.9	1.6	2.9	4.2
Nov	3.0	3.7	2.1	4.7	3.8	3.0	0.4	1.7	2.8	4.1
Dec	2.6	3.7	2.0	4.7	3.7	2.9	0.9	2.1	2.7	4.1
1993 Jan	1.7	4.4	2.1	4.3	..	3.3	1.0	2.0	..	..
Feb	1.8	4.2	..	4.5	..	..	..	..	..	..

1 Components and coverage not uniform across countries
2 Western Germany (Federal Republic of Germany before unification)

3 Standardised unemployment rates: percentage of total labour force[1]

	United Kingdom	Germany[2]	France	Italy	EC[3]	United States	Japan	Canada	Major 7	OECD
	GABF	GABD	GABC	GABE	GADR	GADO	GADP	GADN	GAEQ	GADQ
1980	6.4	2.9	6.3	7.5	6.4	7.0	2.0	7.4	5.5	5.8
1985	11.2	7.1	10.2	9.6	10.8	7.1	2.6	10.4	7.2	7.8
1986	11.2	6.4	10.4	10.5	10.8	6.9	2.8	9.5	7.1	7.7
1987	10.3	6.2	10.5	10.9	10.6	6.1	2.8	8.8	6.7	7.3
1988	8.6	6.2	10.0	11.0	9.9	5.4	2.5	7.7	6.1	6.7
1989	7.1	5.5	9.4	10.9	9.0	5.2	2.3	7.5	5.7	6.2
1990	6.8	4.9	9.0	10.3	8.4	5.4	2.1	8.1	5.6	6.1
1991	8.7	4.4	9.5	9.9	8.7	6.6	2.1	10.2	6.3	6.8
1992	10.0	4.8	10.3	..	9.4	7.2	..	11.2	..	..
1991 Q1	7.8	4.4	9.1	9.9	8.4	6.4	2.0	10.1	6.1	6.6
Q2	8.6	4.4	9.4	10.0	8.6	6.6	2.1	10.3	6.3	6.8
Q3	9.1	4.5	9.7	9.6	8.8	6.7	2.1	10.3	6.4	6.9
Q4	9.3	4.4	9.9	9.9	9.0	6.9	2.1	10.3	6.5	7.0
1992 Q1	9.5	4.5	10.1	9.9	9.1	7.2	2.0	10.6	6.6	7.2
Q2	9.7	4.7	10.3	9.9	9.3	7.4	2.1	11.2	6.8	7.4
Q3	10.1	4.8	10.3	9.9	9.5	7.4	2.2	11.5	6.9	7.5
Q4	10.5	5.1	10.4	..	9.7	7.2	..	11.5	..	..
1992 Jan	9.5	4.4	10.1	9.9	9.1	7.0	2.1	10.3	6.6	7.1
Feb	9.6	4.4	10.2	–	9.1	7.2	2.0	10.5	6.7	7.2
Mar	9.5	4.5	10.1	–	9.1	7.2	2.0	11.0	6.7	7.3
Apr	9.6	4.6	10.3	9.9	9.2	7.2	2.0	11.0	6.7	7.3
May	9.7	4.7	10.3	–	9.3	7.3	2.1	11.1	6.8	7.4
Jun	9.8	4.7	10.3	–	9.3	7.6	2.1	11.5	6.9	7.5
Jul	10.0	4.8	10.3	9.9	9.4	7.5	2.2	11.6	6.9	7.5
Aug	10.2	4.8	10.2	–	9.5	7.5	2.2	11.6	6.9	7.5
Sep	10.3	4.9	10.3	–	9.6	7.4	2.2	11.3	6.9	7.5
Oct	10.3	5.0	10.4	9.9	9.6	7.3	2.3	11.3	6.9	7.6
Nov	10.5	5.1	10.5	..	9.7	7.2	2.3	11.7	6.9	7.6
Dec	10.7	5.2	10.5	..	9.8	7.2	2.4	11.4	7.0	..
1993 Jan	10.8	..	10.5	..	..	7.0	..	11.0	..	..

1 Uses an ILO based measure of those without work, currently available for work, actively seeking work or waiting to start a job already obtained
2 Western Germany (Federal Republic of Germany before unification)
3 Excludes Denmark, Greece and Luxembourg

4 Balance of payments current account as percentage of GDP

	United Kingdom	Germany[1,2]	France	Italy	United States[1]	Japan[1]	Canada
1980	1.2	–1.9	–0.6	–2.3	0.1	–1.0	–0.4
1985	0.8	2.6	–0.1	–0.9	–2.9	3.6	–0.4
1986	–	4.4	0.3	0.4	–3.1	4.3	–2.0
1987	–1.1	4.1	–0.6	–0.2	–3.2	3.6	–1.7
1988	–3.4	4.2	–0.5	–0.7	–2.6	2.7	–1.7
1989	–4.2	4.8	–0.5	–1.2	–2.0	2.0	–3.2
1990	–3.1	3.1	–0.8	–1.3	–1.7	1.2	–3.8
1991	–1.1	–1.2	–0.5	..	–0.1	2.1	–4.3
1992	–2.0	..	..	..	..	..	..
1990 Q3	–2.0	0.6	–0.2	0.1	–1.7	1.0	–2.5
Q4	–2.2	0.5	–0.2	–0.3	–1.7	1.0	–3.5
1991 Q1	–2.0	–0.3	–0.4	–0.6	0.9	1.2	–5.3
Q2	–0.2	–0.4	–0.1	..	0.2	2.3	–3.7
Q3	–0.9	–0.4	–	..	–0.8	2.3	–3.5
Q4	–1.3	–0.1	–	..	–0.5	2.7	–4.9
1992 Q1	–2.0	–0.3	–0.2	..	–0.4	3.0	–5.6
Q2	–2.2	–0.4	0.1	..	–1.2	3.2	–3.8
Q3	–1.5	–0.5	0.1	..	..	..	..
Q4	–2.4	..	..	..	..	..	..

1 Balance as percentage of GNP
2 Western Germany (Federal Republic of Germany before unification)

5 Total industrial production: index numbers

1985 = 100

	United Kingdom	Germany[1]	France	Italy	EC	United States	Japan[2]	Canada[3]	Major 7	OECD[4]
	DVIM	HFGA	HFFZ	HFGB	GACY	HFGD	HFGC	HFFY	GAES	GACX
1980	92.6	97.3	101.9	103.6	97.2	89.1	84.4	86.2	91.0	91.1
1985	100.0	100.3	100.0	100.0	100.1	100.0	100.0	100.0	100.0	100.0
1986	102.4	102.3	100.9	103.6	102.3	101.0	99.8	99.3	101.1	101.2
1987	105.7	102.6	102.8	107.6	104.7	105.9	103.3	104.1	104.8	104.9
1988	109.5	106.3	107.6	114.1	109.0	111.6	112.8	109.6	110.9	110.7
1989	109.9	111.4	112.1	117.6	113.1	114.5	119.6	109.2	114.6	114.6
1990	109.3	117.2	114.2	117.6	115.2	115.7	125.3	104.6	116.8	116.7
1991	106.1	120.7	114.1	115.4	115.1	113.4	128.2	100.3	116.2	116.1
1992	105.8	118.3	..	..	..	115.2	121.3	101.1	..	..
1991 Q1	106.6	121.2	113.3	117.0	115.1	112.0	128.9	99.4	115.8	115.8
Q2	105.2	121.9	114.1	114.7	115.0	112.7	128.2	100.4	115.9	115.9
Q3	106.3	120.6	115.3	114.3	114.9	114.6	128.5	101.2	116.7	116.6
Q4	106.2	119.1	113.8	115.6	114.8	114.4	127.3	100.3	116.3	116.2
1992 Q1	105.4	122.1	113.1	118.6	116.0	113.5	123.9	100.1	115.7	115.8
Q2	105.0	119.9	114.0	115.2	114.4	114.9	121.0	100.5	115.2	115.3
Q3	105.9	118.4	113.2	112.6	113.5	115.6	121.6	101.3	115.4	115.4
Q4	106.8	112.6	..	..	..	116.6	118.5	102.7	..	..
1992 Jan	104.8	122.0	113.7	116.9	115.4	112.9	125.5	99.5	115.6	115.6
Feb	106.2	123.1	113.2	119.6	116.8	113.6	124.7	100.3	116.1	116.2
Mar	105.2	121.3	112.8	119.2	115.9	114.0	121.6	100.5	115.3	115.6
Apr	105.7	120.5	114.7	112.6	114.4	114.5	121.5	100.8	115.2	115.2
May	104.6	120.5	113.0	117.7	114.7	115.4	119.4	100.5	115.3	115.3
Jun	104.6	118.8	113.3	115.4	114.1	114.9	122.0	100.4	115.3	115.4
Jul	105.8	118.5	113.1	116.1	114.6	115.9	122.9	100.0	115.9	116.1
Aug	105.7	118.4	113.1	110.6	112.6	115.6	118.2	101.9	114.5	114.5
Sep	106.1	118.4	113.5	111.1	113.4	115.4	123.7	102.0	115.6	115.6
Oct	107.4	115.5	114.3	113.9	113.8	116.2	120.4	102.1	115.3	115.6
Nov	106.6	113.2	109.2	114.1	113.2	116.6	118.1	102.7	115.0	115.1
Dec	106.5	109.2	..	..	..	117.1	117.0	103.5	..	..
1993 Jan	106.1	113.6	..	..	..	..	..	..	..	..
Percentage change: average of latest three months on that of corresponding period of previous year										
1992 Dec	*0.6*	*–5.4*	..	..	..	*2.0*	*–6.9*	*2.5*	..	..
1993 Jan	*0.8*	*–6.4*	..	..	..	..	..	..	..	..
Percentage change: average of latest three months on previous three months										
1992 Dec	*0.9*	*–4.9*	..	..	..	*0.9*	*–2.5*	*1.4*	..	..
1993 Jan	*0.0*	*–4.6*	..	..	..	..	..	..	..	..

1 Western Germany (Federal Republic of Germany before unification)
2 Not adjusted for unequal number of working days in a month
3 GDP in industry at factor cost and 1986 prices
4 Some countries excluded from area total

6 Producer prices (manufacturing)
Percentage change on a year earlier

	United Kingdom	Germany[1]	France[2]	Italy	EC	United States	Japan	Canada	Major 7	OECD
1980	*14.1*	*7.1*	*9.2*	..	..	*13.5*	*14.7*	*13.3*	..	..
1985	*5.3*	*1.9*	*4.4*	*7.8*	*5.0*	*0.9*	*–0.8*	*2.8*	*1.9*	*3.0*
1986	*4.3*	*–2.4*	*–2.8*	*0.2*	*–0.8*	*–1.4*	*–4.7*	*0.9*	*–1.5*	*–1.1*
1987	*3.8*	*–0.4*	*0.6*	*3.0*	*1.3*	*2.1*	*–2.9*	*2.8*	*1.1*	*1.5*
1988	*4.5*	*1.6*	*5.1*	*3.5*	*3.5*	*2.5*	*–0.2*	*4.2*	*2.5*	*3.5*
1989	*5.1*	*3.4*	*5.4*	*5.9*	*5.0*	*5.1*	*2.1*	*2.1*	*4.3*	*5.4*
1990	*5.9*	*1.5*	*–1.1*	*4.2*	*2.4*	*5.0*	*1.6*	*0.3*	*3.4*	*3.9*
1991	*5.6*	*2.0*	*–1.3*	*3.3*	*2.2*	*2.1*	*1.7*	*–1.1*	*2.0*	*2.6*
1992	*3.8*	*1.6*	..	..	..	*1.2*	..	*0.5*	..	..
1991 Q1	*6.1*	*2.3*	*0.7*	*4.2*	*3.1*	*3.5*	*2.7*	*1.2*	*3.2*	*3.7*
Q2	*5.9*	*2.0*	*–0.7*	*3.8*	*2.6*	*3.5*	*2.3*	*–0.5*	*2.8*	*3.4*
Q3	*5.6*	*2.3*	*–1.5*	*3.1*	*2.1*	*1.9*	*1.7*	*–1.6*	*1.9*	*2.5*
Q4	*5.0*	*1.6*	*–3.6*	*2.0*	*1.1*	*–0.3*	*0.0*	*–3.2*	*0.2*	*0.9*
1992 Q1	*4.5*	*1.7*	*–3.0*	*1.4*	*1.1*	*0.4*	*–0.6*	*–2.3*	*0.3*	*1.4*
Q2	*3.6*	*2.4*	*–1.1*	*2.1*	*1.8*	*1.3*	*–0.7*	*–0.3*	*1.1*	*2.0*
Q3	*3.4*	*1.4*	*–0.9*	*1.9*	*1.4*	*1.5*	*–0.8*	*1.6*	*1.1*	*2.1*
Q4	*3.3*	*1.0*	..	..	..	*1.5*	..	*3.1*	..	..
1992 Mar	*4.5*	*2.3*		*1.4*	*1.3*	*1.1*	*–0.7*	*–1.4*	*0.7*	*1.8*
Apr	*3.8*	*2.2*		*1.8*	*1.8*	*1.1*	*–0.7*	*–0.9*	*0.9*	*1.9*
May	*3.5*	*2.5*		*2.1*	*1.8*	*1.1*	*–0.7*	*0.0*	*1.0*	*2.0*
Jun	*3.6*	*2.5*		*2.1*	*1.8*	*1.6*	*–0.7*	*0.1*	*1.2*	*2.1*
Jul	*3.6*	*1.6*		*1.9*	*1.5*	*1.7*	*–0.7*	*0.8*	*1.2*	*2.1*
Aug	*3.4*	*1.5*		*1.9*	*1.3*	*1.5*	*–0.8*	*1.6*	*1.1*	*2.1*
Sep	*3.4*	*1.2*		*1.9*	*1.2*	*1.6*	*–0.7*	*2.2*	*1.2*	*2.1*
Oct	*3.3*	*1.0*		*2.0*	*1.4*	*1.7*	*–0.8*	*2.9*	*1.2*	*2.4*
Nov	*3.3*	*1.0*		*2.2*	*1.5*	*1.3*	*–0.9*	*3.0*	*1.1*	*2.3*
Dec	*3.5*	*1.0*		..	..	*1.5*	..	*3.6*	..	..
1993 Jan	*3.6*	..		..	..	..	..	..	..	..
Feb	*3.7*	..		..	..	..	..	..	..	..

1 Western Germany (Federal Republic of Germany before unification).
2 Producer prices in intermediate goods

7 Total employment: index numbers[1]

1985 = 100

	United Kingdom	Germany[2,3]	France[3]	Italy	EC	United States[3]	Japan	Canada[3]	Major 7	OECD
	DMBC	GAAR	GAAU	GAAS	GADW	GADT	GADU	GADS	GAEU	GADV
1980	103.5	102	101.6	100	..	93	95	95	..	..
1985	100.0	100	100.0	100	100	100	100	100	100	100
1986	100.1	101	100.3	101	101	102	101	103	101	101
1987	101.9	102	100.6	100	102	105	102	106	103	103
1988	105.2	103	101.4	102	104	107	104	109	105	105
1989	107.8	104	102.7	101	106	109	106	111	107	107
1990	108.5	107	103.8	103	107	110	108	112	108	108
1991	105.6	109	103.8	104	107	109	110	110	108	108
1992	102.6	..	..	..	..	..	111	109	..	..
1991 Q1	106.9	108	103.6	103	107	108	107	107	107	107
Q2	105.9	109	104.2	104	107	109	111	111	109	109
Q3	105.1	109	104.1	105	108	110	111	113	109	109
Q4	104.3	110	103.3	104	107	109	110	109	108	108
1992 Q1	103.9	109	103.3	103	106	108	109	106	107	107
Q2	103.4	110	103.8	105	107	110	112	109	109	109
Q3	102.0	110	103.8	104	106	111	112	112	109	109
Q4	101.1	..	..	..	..	..	111	109	..	..
1992 Mar	..	110	103.3	–	106	108	109	106	107	107
Apr	..	110	–	105	107	109	111	106	108	108
May	..	110	–	–	107	110	112	110	109	109
Jun	..	110	103.8	–	107	111	112	112	109	109
Jul	..	109	–	104	106	112	112	113	109	109
Aug	..	109	–	..	106	111	111	113	109	109
Sep	..	110	103.8	..	106	110	112	110	109	109
Oct	..	110	..	..	107	110	112	110	109	109
Nov	..	110	..	..	..	110	112	109	109	109
Dec	..	..	..	..	..	..	111	108	..	..
Percentage change, latest quarter on that of corresponding period of previous year										
1992 Q3	*–2.9*	*0.9*	*–0.3*	*–1.0*	*–1.9*	*0.9*	*0.9*	*–0.9*	*0.0*	*0.0*
Q4	*–3.1*	..	..	..	..	..	*0.9*	*0.0*	..	..
Percentage change latest quarter on previous quarter										
1992 Q3	*–1.4*	*0.0*	*0.0*	*–1.0*	*–0.9*	*0.9*	*0.0*	*2.8*	*0.0*	*0.0*
Q4	*–0.9*	..	..	..	..	..	*–0.9*	*–2.7*	..	..

1 Not seasonally adjusted except for the United Kingdom
2 Western Germany (Federal Republic of Germany before unification)
3 Excludes members of armed forces

8 Average wage earnings in manufacturing[1] Percentage change on a year earlier

	United Kingdom[2]	Germany[3]	France	Italy	EC	United States	Japan	Canada	Major 7	OECD
1980	*17.8*	*6.5*	*15.2*	*18.7*	*12.1*	*8.6*	*7.5*	*10.9*	*10.4*	*9.1*
1985	*9.1*	*4.2*	*5.7*	*11.2*	*7.5*	*4.2*	*3.1*	*4.2*	*5.3*	*5.3*
1986	*7.7*	*4.0*	*3.9*	*4.8*	*5.0*	*2.0*	*1.4*	*3.0*	*3.0*	*4.0*
1987	*8.0*	*3.8*	*3.2*	*6.5*	*5.7*	*2.0*	*1.7*	*2.9*	*2.9*	*2.9*
1988	*8.5*	*4.6*	*3.1*	*6.1*	*5.4*	*2.9*	*4.6*	*3.8*	*4.7*	*4.7*
1989	*8.7*	*3.5*	*3.8*	*6.1*	*6.0*	*2.8*	*5.8*	*5.5*	*4.5*	*5.4*
1990	*9.4*	*5.1*	*4.5*	*7.2*	*7.3*	*3.6*	*5.4*	*5.2*	*5.2*	*5.9*
1991	*8.2*	*5.7*	*4.3*	*9.8*	*7.5*	*2.6*	*3.6*	*4.9*	*4.9*	*4.8*
1992	..	..	..	..	..	*2.6*	..	..	..	+
1991 Q1	*8.8*	*6.7*	*4.7*	*8.1*	*7.0*	*3.6*	*3.8*	*5.8*	*5.3*	*5.2*
Q2	*8.5*	*6.5*	*4.2*	*9.8*	*7.6*	*3.5*	*4.3*	*4.9*	*5.0*	*4.9*
Q3	*7.8*	*6.4*	*4.3*	*10.7*	*8.2*	*3.5*	*3.3*	*4.9*	*4.8*	*4.7*
Q4	*7.7*	*6.3*	*4.1*	*10.6*	*7.2*	*3.5*	*3.2*	*4.0*	*4.5*	*4.6*
1992 Q1	*8.6*	..	*3.6*	*9.2*	*7.2*	*2.6*	*2.5*	*3.9*	*4.2*	*4.9*
Q2	*6.0*	..	*3.8*	*6.0*	*5.6*	*2.6*	*2.4*	*3.9*	*4.0*	*4.7*
Q3	*6.1*	..	*3.5*	*3.8*	*4.8*	*1.7*	*1.0*	*3.1*	*3.1*	*3.8*
Q4	*5.7*	..	..	..	..	*1.7*	..	..	..	+
1992 Mar	*10.3*	..	..	*9.1*	*8.0*	*2.6*	*1.7*	*3.9*	*4.2*	*4.1*
Apr	*5.0*	..	*3.8*	*8.8*	*6.4*	*3.4*	*1.3*	*3.9*	*4.2*	*4.9*
May	*6.9*	..	..	*4.6*	*5.6*	*2.6*	*1.1*	*3.9*	*3.3*	*4.0*
Jun	*5.9*	..	..	*4.7*	*5.6*	*2.6*	*3.8*	*3.1*	*3.6*	*4.0*
Jul	*6.2*	..	*3.5*	*4.0*	*4.8*	*1.7*	*2.3*	*3.1*	*2.8*	*4.3*
Aug	*6.5*	..	..	*3.5*	*5.6*	*2.6*	*−1.5*	*3.9*	*2.4*	*3.1*
Sep	*5.7*	..	..	*3.7*	*4.8*	*2.5*	*1.4*	*3.1*	*3.3*	*3.5*
Oct	*6.2*	..	..	*4.1*	..	*1.7*	*1.5*	*3.9*	*3.3*	+
Nov	*5.6*	..	..	*2.1*	..	*1.7*	*1.5*	*3.1*	*3.2*	+
Dec	*5.4*	..	..	..	..	*2.5*	..	..	..	+
1993 Jan	*5.0*	..	..	..	..	..	..	..	..	..

1 Definitions of coverage and treatment vary among countries
2 Figures for Great Britain refer to weekly earnings; others are hourly
3 Western Germany (Federal Republic of Germany before unification)

9 Retail Sales (volume): index numbers

1985 = 100

	United Kingdom	Germany[1]	France	Italy	EC	United States	Japan	Canada	Major 7	OECD
	FAAM	GADD	GADC	GADE	GADH	GADA	GADB	GACZ	GAEW	GADG
1980	86.3	103	101.0	83.1	94.7	83.3	103.2	83.6	89.6	90.4
1985	100.0	100	100.0	100.0	99.9	100.0	99.9	100.0	100.0	99.9
1986	105.2	104	102.4	108.0	104.6	105.7	101.5	104.6	104.7	104.5
1987	110.7	107	104.6	113.9	108.9	108.3	107.1	110.3	108.4	108.1
1988	117.7	111	108.0	111.4	112.0	112.3	112.2	114.6	112.1	111.8
1989	119.9	114	109.5	118.9	116.3	115.1	116.0	114.5	115.2	115.1
1990	120.4	124	110.1	115.3	119.3	115.4	121.8	112.0	116.9	116.9
1991	119.5	131	109.7	114.8	120.9	113.5	123.3	100.4	116.0	116.3
1992	120.3	..	108.9	..	..	..	..	..	..	..
1992 Q1	119.4	130	108.5	..	120.4	116.3	122.4	100.2	117.1	117.3
Q2	120.0	126	109.1	..	118.6	116.0	120.3	100.6	115.9	116.2
Q3	120.7	128	109.3	..	119.1	117.5	120.0	101.8	116.9	117.0
Q4	120.8	..	108.6	..	..	..	..	..	..	..
1992 Mar	118.8	127	102.8	..	117.6	115.4	118.1	99.6	115.1	115.3
Apr	119.7	128	112.6	..	118.7	115.8	120.9	100.6	115.8	116.3
May	120.0	127	107.6	..	118.4	116.1	119.6	100.1	115.8	116.1
Jun	120.2	125	107.0	..	118.5	116.0	120.4	101.1	116.0	116.2
Jul	119.8	127	109.9	..	118.6	117.3	121.5	101.2	116.8	117.0
Aug	120.9	126	108.6	..	120.2	117.2	119.4	102.0	117.2	117.1
Sep	121.2	130	109.6	..	118.6	118.0	119.0	102.2	116.8	116.9
Oct	121.5	127	112.2	..	118.6	120.1	116.5	102.6	117.8	117.6
Nov	121.5	129	103.6	..	..	120.4	115.5	102.4	..	..
Dec	120.1	..	110.1	..	..	..	..	..	..	..
1993 Jan	122.7	..	..	..	..	..	..	..	..	..
Feb	123.0	..	..	..	..	..	..	..	..	..
Percentage change average of latest three months on that of corresponding period of previous year										
1992 Dec	*1.3*	..	*−1.7*	..	..	..	..	..	..	..
1993 Jan	*1.4*	..	..	..	..	..	..	..	..	..
Feb	*1.8*	..	..	..	..	..	..	..	..	..
Percentage change average of latest three months on previous three months										
1992 Dec	*0.3*	..	*−0.7*	..	..	..	..	..	..	..
1993 Jan	*0.2*	..	..	..	..	..	..	..	..	..
Feb	*0.3*	..	..	..	..	..	..	..	..	..

1 Western Germany (Federal Republic of Germany before unification)

Chart I: Gross domestic product

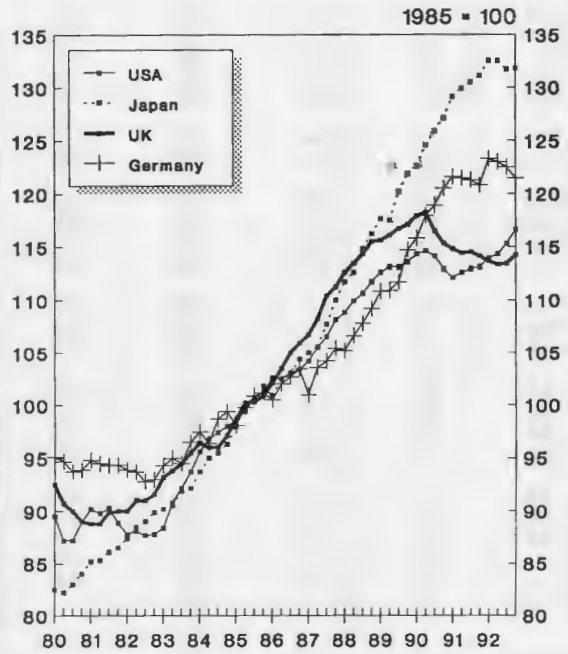


Chart II: Consumer price inflation

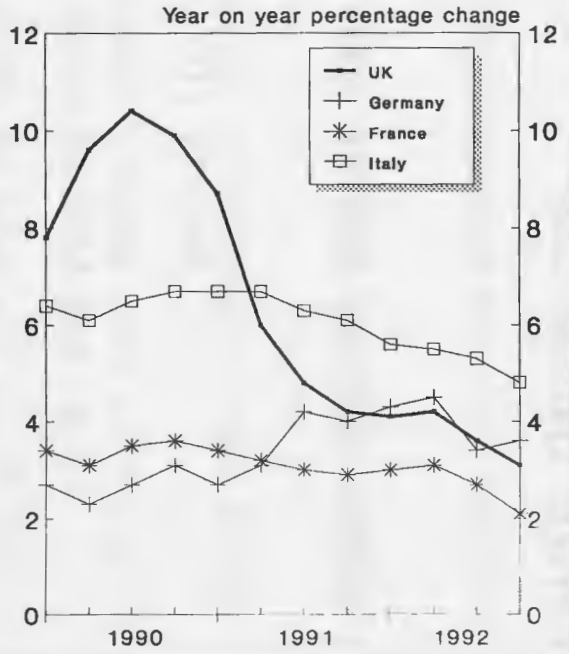
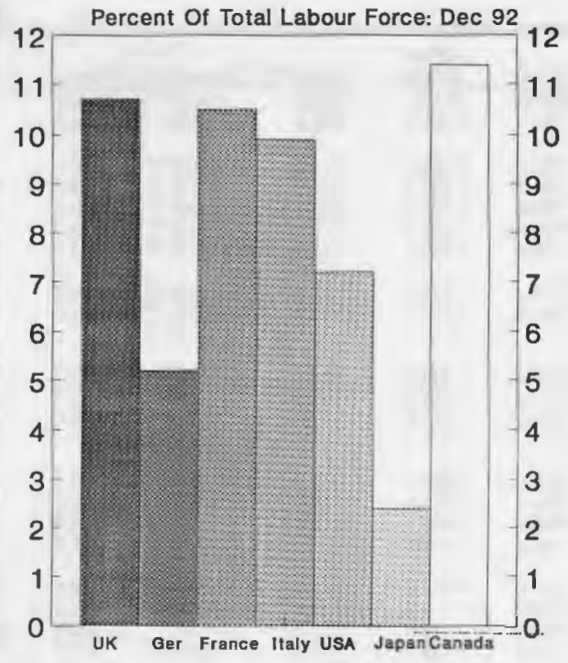


Chart III: Standardised unemployment



Italy refers to October.

Chart IV: Current account balance percentage of GDP at market prices

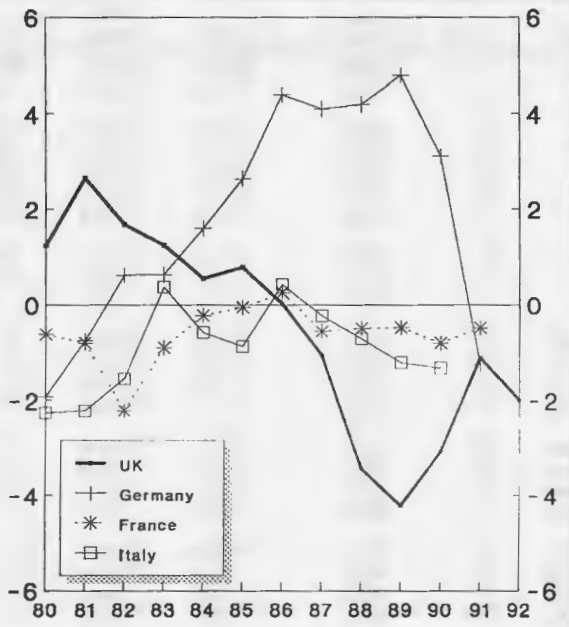


Chart V: Industrial production

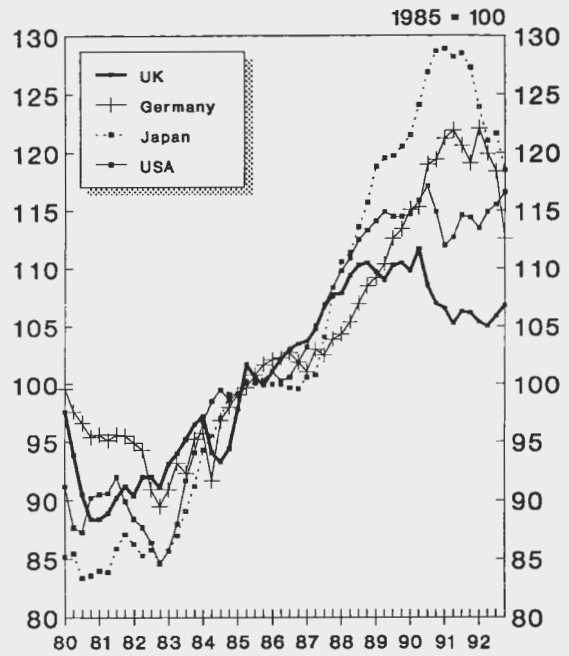


Chart VI: Producer price inflation

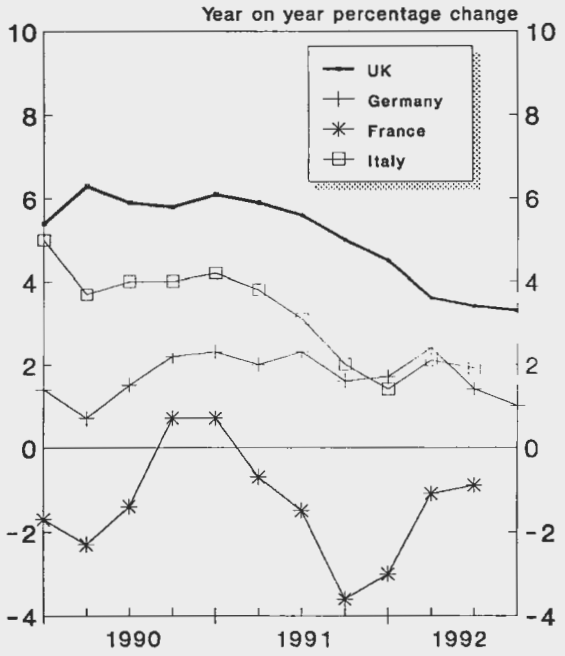


Chart VII: Employment

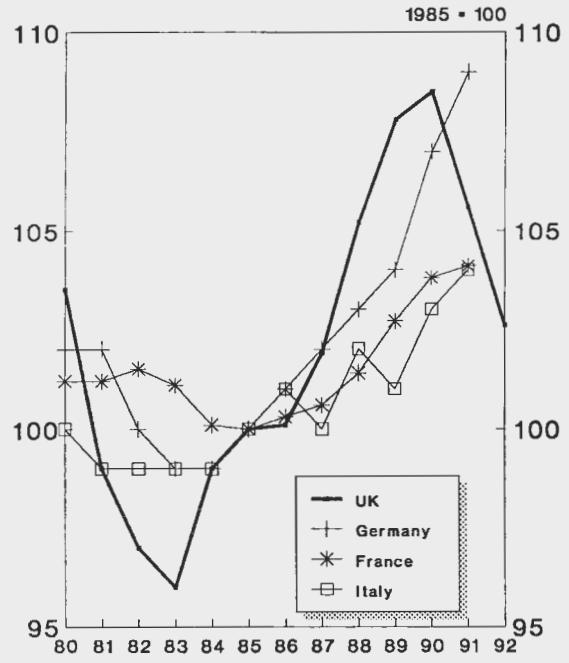
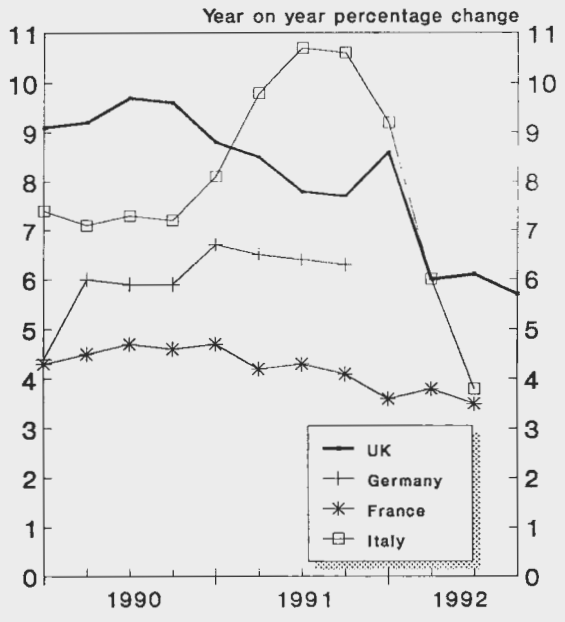


Chart VIII: Wage earnings (manufacturing)



PRODCOM

Robin Lynch Central Statistical Office

Introduction

What is PRODCOM? PRODCOM is literally a list of product descriptions and associated codes. In this paper this will be known as the PRODCOM list. PRODCOM can also be taken to mean the annual and quarterly inquiries into the value and volume of sales of products, classified according to the PRODCOM list of products. This will be referred to as the PRODCOM inquiry. PRODCOM in general will refer to the system to collect and publish the sales values classified by the list of products.

PRODCOM is a European Commission initiative, and required by regulation. The first quarterly inquiries will be carried out with respect to the first quarter of 1993, results available (though not published) by August 1993, and the annual inquiries will be carried out with respect to 1993, results published by the Summer of 1994.

The PRODCOM list will replace the present list of product descriptions and codes, which the Central Statistical Office (CSO) has used in its product sales inquiries and publications for the last twenty years. It will involve an increase in the number of product headings (from 3,200 to about 5,000).

Similarly the new PRODCOM inquiry will replace the current system of Annual and Quarterly Sales inquiries. In order to meet the coverage requirements for PRODCOM, there will be an increase in the number of contributors from about 10,000 to almost 30,000.

This paper describes the background to and reasons for the introduction of PRODCOM, the main differences between PRODCOM and the current system of inquiries, and the effects on users. It also sets out the CSO plans for implementation. It does this by considering the various needs of its customers, and then sets out a vision of the future.

Customer number one - Europe

PRODCOM is required by European regulation[1]. The aim is to provide the Commission and companies in Europe with full, up-to-date and reliable information on industrial production in the Community. The statistics will be at a detailed product level and harmonised with the international trade classification system.

Member states are therefore required to carry out a statistical survey of industrial production - largely of production actually sold. They are required to adopt survey methods that will facilitate the collection of data from undertakings representing at least 90% of national production by NACE Rev 1 Class.

Reflecting present Community needs, the emphasis of the regulation is on annual collection, but there is provision for the requirement of more frequent collections for selected industries. A strong theme in the negotiations leading to the regulation was the desire for more frequent inquiries. The pressure from industry or from other National Statistical Offices is likely to continue for more quarterly or monthly collections.

[1] Council Regulation (EEC) No 3924/91 of 19 December 1991

The PRODCOM list is maintained by EUROSTAT. Changes to the list can be made only by EUROSTAT with the approval of the PRODCOM management committee - this is a sub-committee of the Statistical Programme Committee (SPC) delegated with the interpretation and implementation of the PRODCOM regulation. Proposals for list changes are put to this committee by EUROSTAT officials, and voted on by representatives of the twelve member states.

Customer number two - business

Companies want accurate and timely comprehensive statistics on sales at product detail, very much in line with the European Commission needs as set out above. Many Trade Associations protested at the reduction in coverage of the Sales Inquiries which came about as a result of the Armstrong-Rees[2] review. They were particularly disappointed about the move from quarterly to annual collections, but their pleas went unheeded.

Industries through Trade Associations have continued to lobby the UK government and the European Commission accordingly. CEFIC, the European Trade Association for the Chemicals Industry, has been successful through the management committee overseeing the implementation of PRODCOM, in obtaining quarterly collection for many products in the Chemical Industry.

Companies want the least burden on them in terms of form-filling consistent with relevant statistics. The CSO has initiated several projects to address the problem of reducing compliance costs to industry. They include the following :

- **User-friendly forms**. We are employing outside consultants to advise on the appropriate form of words to ensure good response and lower compliance costs through ready comprehension of the questionnaires.

- **Personalised forms**. It is our intention that, as in the current inquiries, respondents will receive questionnaires with only those headings which they are known to produce from previous returns. New products will be catered for by inviting additional headings to be specified when they reach a sufficient value. Obviously new contributors cannot benefit from this scheme until the second year of inquiry.

- **Contact points**. The signatory on the form will be the branch head, and contact points will be named. This should help in providing an efficient "customer-care" service to our contributors.

- **Best practice**. In line with current CSO policy, we will look to help our contributors follow best practice in maintaining a record-keeping system which can readily provide the statistics required by government.

- **Consultation**. We are in contact with many Trade Associations, and have hired industry consultants, to help us with the headings used in the questionnaires, again to ensure easy comprehension and so efficient completion of the forms by our contributors. This is another way to reduce compliance costs.

[2] Review of Department of Trade and Industry Statistics, Armstrong / Rees, December 1988

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- Businesses in the United Kingdom and Europe wish to be able to use comprehensive statistics on production for sale for each country in Europe, completely harmonised with the international trade statistics. A key feature of the new PRODCOM list of product headings and codes is that they are completely consistent with the Common Nomenclature headings at the eight digit tariff code level. Every PRODCOM heading corresponds uniquely to one or more CN headings.

For the first time ever it will be possible to look at detailed product statistics for each country in the European Community on a completely harmonised basis, for imports, exports and home production for sale. The potential for analysis of market penetration, and analysis and monitoring of company relative performance is very powerful.

Customer number three - Central Statistical Office

At the same time as the PRODCOM list for product sales was introduced, a new revision of the industry classification for the UK was introduced from 1 January 1993. It is based upon the European industry classification known as NACE Rev. 1 and with some expansion will be used in the UK to replace the current Standard Industrial Classification of 1980 (SIC 80). The new system will be called SIC 92.

This requires a complete reclassification of the CSO business register. As PRODCOM is wholly consistent with the new industry classification, the PRODCOM inquiry of 1993 will be a key instrument in re-classifying the reporting units from the old to the new SIC. As almost 30,000 contributors will be approached under PRODCOM, and product sales are usually taken as the most accurate means of unit classification, there will be more units accurately classified on the business register than ever before.

In order to allow a provisional reclassifying of the business register so that the PRODCOM inquiry can take place, an extensive exercise in classifying existing commodity headings to the new SIC took place. This was carried out by CSO staff, consulting with other government departments such as DTI where necessary.

Although not mainly required for national accounts purposes, the results of PRODCOM will improve the national accounts in the following ways :

- The reclassification of the business register is fundamental to the whole process of moving industrial statistics within the national accounts from the old to new SIC.

- Approaching many firms and asking them their product sales by type of product provides an excellent method of confirming ("proving") the existing classification of the contributor on the business register.

- Detailed sales data are used in rebasing the Producer Price Index, which is an important indicator of domestic inflation in its own right, and is regularly and widely used for deflation purposes in the national accounts.

- The availability of annual detailed product sales and harmonised international trade statistics on consistent classifications, will improve the quality of the input-output framework for national accounts balancing purposes.

- The pattern of sale of products by industry is used to estimate an important part of the "Make matrix" in the compilation of annual input-output tables.

At present, the Producer Price Index is rebased every five years. The CSO is considering how to make more use of PRODCOM statistics through developing a current-weighted version of the Producer Price Index. Current weighted Producer Price Indices more appropriately reflect price movements in a basket of goods, by reflecting the changing relative importance of the goods in the basket, than the base weighted price indices used at present. This is particularly important for their role in the deflation of sales in the compilation of the index of production.

Sampling

In order to achieve 90% coverage by NACE Class, original plans based upon employment cut-off methodology suggested that about 43,000 companies would fall in the scope of the survey. Given the tradition of not approaching small businesses on account of the associated compliance burden, work programmes were drawn up which allowed for 90% coverage except where this meant going to companies with less than 20 employment. This resulted in some 25,000 companies being identified as contributors.

Product sales inquiries in the UK and the rest of Europe have been carried out on an employment cut-off basis. This is because of the large natural variation in such measures as sales per head or sales per reporting unit for the individual products specified, and the implications this has for sample size.

It is the CSO's intention to represent 100% of each product's sales for PRODCOM. However, any attempt to represent 100% of product sales requires grossing up of the inquiry estimates, and this in turn requires a view to be taken of the non-sampled small firms in terms of the size of the sales for each product.

We intend that the whole inquiry should be based on a stratified sample design. This will allow us to give estimates of accuracy associated with product sales estimates, and so estimate with an explicit degree of confidence, total sales for each individual product on the PRODCOM list. Sampling will also allow us to minimise the compliance burden on business consistent with reliable statistics at product level.

This will of course entail approaching smaller firms than we have approached before in product inquiries. Depending on our investigations into product sales variability, this will be compensated for by the reduced number of medium-sized companies included in the sample.

We are carrying out studies to determine the size of sample needed to provide reliable estimates of product sales. A comprehensive sample design is not yet possible due to two main factors :

- We have no information on sales of products by small firms in the current inquiry. As nothing is known at present of the small businesses falling below the employment cut-offs, it is not possible to put accuracy bounds on the population estimates that are derived from the current data-set.

- The new inquiry will collect data according to the PRODCOM list of products, and not according to the current list. The reporting units will be classified according to SIC 92, and not to the existing SIC 80. So no information is currently available on the size and variability of sales by product on the PRODCOM classification, except where the current product classification matches that of the PRODCOM list.

Where the existing data-set does not permit efficient sample designs yielding reliable population estimates, the existing cut-off methodology will be applied, but with sampling in the small firms so that estimates can be made of product variability for more efficient sampling in the succeeding years.

Differences from the current system

There are five main changes which contributors and users will notice when the PRODCOM system is introduced :

- a new and expanded list of products, with many more headings showing volume as well as value of production for sale
- each product heading will represent 100% of production for sale. This will be achieved by applying individual factors to each product heading value to gross up to complete coverage. This is an area where expert advice from industry will be valuable in improving on the all-industry grossing factors at present used to provide total sales by industry
- the annual publication will appear about seven months after the end of the period, and all results will appear at the same time - unlike the present rolling programme of publication of individual industry "Business Monitors"
- the publication will contain details of international trade as well as production for sale, on a completely harmonised basis due to the congruence of the PRODCOM and international trade classification systems
- the data will be displayed in time-series format in the publication, and held as time-series in computer-readable form. In order to provide estimates on a PRODCOM basis for previous years, a correlation at a detailed level between the current product headings and the PRODCOM list is being compiled. This will allow back-series estimates to be made, as far as 1990. Trade associations and other consultants are assisting in the compilation of this correlator, but it may be that a sufficiently robust correspondence cannot be compiled for every year at the most detailed product heading level, and the back-series may only be possible at a more aggregate level.

Consultation with industry

A seminar on PRODCOM was held at CSO Newport on 14 October 1992, and over 100 representatives of UK trade associations attended, along with some fifty delegates from individual firms, CSO and other government departments. The aim of the seminar was to let UK industry know about PRODCOM, and there were two objectives :

- to ensure that the UK Trade Associations are prepared for PRODCOM and the effects it will have on their members
- to ensure that the CSO implementation of PRODCOM is understood and is in line with industry needs.

An assessment sheet asking for suggestions and feedback on the seminar was handed to the delegates, and the response showed that most delegates thought the day very worthwhile. We certainly learned a lot about running such an event, and the audience was successfully briefed on the introduction of PRODCOM. However, perhaps the important lesson to be learned was that simply by holding the seminar and allowing users and providers to meet and discuss CSO plans in an open manner, we initiated a new climate of co-operation with industry both as providers and users of statistics. We are aware that in some ways holding the seminar was the easy part, and making sure that the feedback actually affects our plans and working practices requires thought and effort.

We sent advance notice letters to firms likely to fall within the scope of the inquiry, in between October 1992 and January 1993. The letters explain what PRODCOM is, what they will be asked to do, and what PRODCOM will offer them. Some have been asked for their reaction to our proposed inquiry form and for information on expected compliance costs.

Burden on business

We keep the deregulation unit of the CSO fully informed of our plans for the PRODCOM inquiry. We are looking to demonstrate that a properly designed sample survey will result in lower compliance costs for industry overall, than those that would be imposed by the traditional cut-off approach. This is of course dependant on the savings in the number of medium to small firms approached, more than compensating for the number of small firms included for the first time in the inquiry.

Earlier in this paper under the heading of business as a customer, many steps are set out which will reduce the compliance cost. However, there is no doubt that PRODCOM as laid down in the European regulation, does represent an increased burden on UK business with respect to product sales inquiries.

Publication

The annual results will be published six months after the year to which they relate. Also published alongside the sales statistics will be international trade statistics at PRODCOM list level.

At the same time as the results are published, the statistics will made available in computer-readable form. The exact nature of this access has still to be decided, but is likely to be at least one, and possibly all, of the following :

- held on a CSO Database, and on-line access provided to users
- provide a floppy disk with or separately from the publication, containing all the data published
- sell a CD-ROM version of the statistics separately from the publication, but containing the same statistics

Quarterly or annual ?

The main contribution to savings following the Armstrong/Rees review of DTI statistics was raising the employment cut-offs and moving most sales inquiries from quarterly to annual. This was because the main role of the quarterly inquiries in national accounts was to benchmark the monthly sales inquiries, and with the expansion of the monthly inquiries, the need for the quarterly benchmarking disappeared. The Armstrong/Rees review also concluded that DTI did not make significant use of quarterly sales statistics in informing government policy.

The key factors in deciding whether to collect annually or quarterly are as follows :

- the desirability of timely information. Monthly international trade statistics are collected on a consistent basis, and are available just weeks after data collection. For firms to assess movements in international trade and how they can affect their business at home and abroad, it is desirable to have timely comparable statistics on domestic sales. For most industries under the PRODCOM regulation, home sales statistics will be available only in annual form, some seven months after the latest year. Data from the international trade side for January of that year will have been available for close on 14 months.

- the cost of collection. No reliable basis exists for estimating the increase in compliance costs in moving from an annual to quarterly inquiry. This is being addressed in current CSO investigations, and we will use the results to firm up comparative compliance costs between annual and quarterly surveys. At present it is assumed on the basis of the Armstrong/Rees inquiry that quarterly costs are significantly higher than annual ones.

The Future - a vision of three years from now

The picture three years from now could be envisaged as follows :

- PRODCOM will be conducted quarterly for a significant number of industries. The results will be available in computer-readable form and published at the same time - three months after the quarter they relate to, and seven months after the year for the annual inquiries. The same data source will hold international trade data on a PRODCOM list basis, differentiating between intra-community and extra-community trade.

- The results will be widely used throughout industry to assess performance in the UK, the EC and world-wide. DTI industry sector divisions, and their colleagues responsible for the competitiveness of UK trade by industry in world markets, will make use of this database. The data source will provide limited tools to make the statistics more accessible - appropriate charges will be made for these means of access.

- The survey will be conducted largely on a stratified sample basis, with rotation to reduce the burden on individual small companies. Some very small companies will be approached to ensure the representativeness of the sample and allow error ranges to be placed on the population estimates for product sales. Sensitivity tests will be carried out on a regular basis to minimise the burden on business through efficient sample design on an ongoing basis.

- A Users' group will meet regularly to discuss results and provide continuing feedback on the relevance and acceptability of the inquiry, from the collection of the raw data to the publication of the final results.

Conclusion

PRODCOM is both an opportunity and a challenge to the CSO. The statistics provide the opportunity to deliver a new means of assessing industrial performance in terms of detailed sales and international trade statistics. The challenge is to ensure that these statistics are provided to users in a timely and friendly manner which ensures their effective use. A lot of work is needed if the vision outlined above is to become reality !

Paper for the Statistics Users' Council annual conference 7 December 1992. Revised 22 February 1993.

Articles published in *Economic Trends*, 1980-1991

To supplement the list of recent articles in *Economic Trends* on the inside front cover, there follows a similar list of all articles published between 1980 and 1991. Copies of these may be obtained from the Publications Unit, Central Statistical Office, Great George Street, London, SW1P 3AQ, on payment of a remittance of £4.00 per copy. Cheques, etc, should be made payable to the Central Statistical Office.

1980

January	The effects of taxes and benefits on household income, 1978
February	A glimpse of the hidden economy in the national accounts
	Local authority expenditure in England and Wales since 1974-75
	The distribution of income in the United Kingdom, 1977-78
March	The change in revenue from an indirect tax change
	Trends in sales of land and buildings, 1973-79
April	The Budget: 26 March 1980
	Economic prospects to mid 1981
May	Cyclical indicators: some developments and an assessment of performance
	Measures of UK trade competitiveness in manufactures
June	Manufacturing industry in the seventies: an assessment of import penetration and export performance
	Measures of variability in economic time series
July	Research and development: expenditure and employment, 1978
August	Measuring the public sector borrowing requirement
September	United Kingdom air transport: an international industry
	Skill shortages
October	UK visible trade in the post-war years
November	National and sector balance sheets for the United Kingdom
	Employment in the public and private sectors, 1974-80
	Regional accounts: estimates for 1978 and 1979
December	A comparison of public services employment in the United Kingdom with five other European countries
	International comparisons of taxes and social security contributions, 1971-78

1981

January	Revisions to index numbers of production
	The effects of taxes and benefits on household income, 1979
February	The distribution of income in the United Kingdom, 1978-79
	Exports and imports of services analysed by industry
	Seasonal adjustment of the overseas trade figures
March	The effective exchange rate for sterling
May	Revisions to estimates of economic growth
	The energy coefficient revisited
July	A new output enquiry for the construction industry
	Financial wealth of the non-bank private sector
August	Movements in UK costs and prices, 1973-79
	Research and development; expenditure and employment in the seventies
September	Recent developments in economic accounts for agriculture
	The household sector
October	Additional tables on national income and expenditure
November	Regional accounts, 1980
	Committed and discretionary saving
December	Employment in the public and private sectors, 1975-81
	Agricultural incomes
	International comparisons of taxes and social security contributions, 1970-79

1982

January	The effects of taxes and benefits on household income, 1980
	Labour productivity: output per person per hour in manufacturing
February	Quarterly survey of UK company sources and uses of funds: summary of results 1977-80
	Effects of leasing on statistics of manufacturing capital expenditure
March	The Budget: 9 March 1982
	The economy: recent developments and prospects to mid-1983
April	International comparisons of gross domestic product

August	Central government expenditure on research and development
October	A new index of average house prices
November	Regional accounts, 1981
December	The effects of taxes and benefits on household income, 1981
	International comparisons of taxes and social security contributions in 18 OECD countries, 1970-80

1983

February	Employment in the public and private sectors, 1976-82
	Capital expenditure by the UK shipping industry, 1977-81
March	Introduction of the revised standard industrial classification, 1980
	Index of industrial production - rebasing and reclassification
	Rebasing and reclassifying the national accounts: the reasons and the likely effects
	The Budget: 15 March 1983
	The economy: recent developments and prospects to mid-1984
May	Trends in sales of land and buildings, 1977-81
June	The reconciliation of personal sector transactions and wealth
September	Consumers' expenditure
	Research and development: preliminary estimates of expenditure in the United Kingdom
October	Additional tables on national income and expenditure
	The rebased estimates of the index of the output of the production industries
	Cyclical indicators: some developments and an assessment of performance
November	Effects of taxes and benefits on household income, 1982
	Regional accounts 1971-1981: new industrial classification
	Public expenditure: definitions and trends
	Monthly estimates of the public sector borrowing requirement
December	The effects of rebasing on the measures of gross domestic product
	International comparisons of taxes and social security benefits in 20 OECD countries, 1971-81

1984

February	The national accounts treatment of index-linked bonds
	Public sector bank deposits: redefinition of the PSBR and money stock
March	Employment in the public and private sectors, 1977-83
	The Budget: 13 March 1984
	The economy: recent developments and prospects to mid-1985
May	Estimating capital consumption for fixed assets employed in Northern Ireland agriculture
June	Regional accounts, 1982
July	The distribution of income in the United Kingdom, 1981-82
August	Research and development in the United Kingdom, 1981
	Industrial and commercial companies' real rates of return: differences between figures derived from national and company accounts
September	A note on the personal sector saving ratio
October	Analysis of Pay as you Earn (PAYE) statistics
November	Regional Accounts, 1983
December	The effects of taxes and benefits on household income, 1983

1985

February	International comparisons of taxes and social security contributions in 20 OECD countries, 1972-82
March	Employment in the public and private sectors, 1978-84
	The Budget: 19 March 1985
	The economy: recent developments and prospects to mid-1986
May	Commodity flow accounts for the United Kingdom
July	Revisions to quarterly estimates of GDP
August	Research and development in the United Kingdom in 1983
	Measuring public expenditure
November	Regional accounts, 1984
December	Employment in the public and private sectors, 1979-85
	The effects of taxes and benefits on household income, 1984

1986

March	The Budget: 18 March 1986
	The economy: recent developments and prospects to mid-1987
May	International comparisons of taxes and social security contributions in 20 OECD countries, 1973-83

July	The effects of taxes and benefits on household income, 1984
August	Central government expenditure upon research and development in 1984
November	The effect of taxes and benefits upon household income, 1985
	Regional accounts, 1985
December	The monthly invisibles balance
	Employment in the public and private sectors, 1980-86

1987

February	A new UK definition of the High Technology industry
March	The Budget: 17 March 1987
	The economy: recent developments and prospects to mid-1988
May	International comparisons of taxes and social security contributions in 20 OECD countries, 1973-84
	National and sector balance sheets 1957-1985
June	International comparisons of Real Value, Productivity and Energy Intensity in 1980
July	The effects of taxes and benefits on household income, 1985
August	Revisions to quarterly estimates of GDP
October	Long term trends in public expenditure
November	Regional accounts 1986, part 1
	The distribution of income in the United Kingdom, 1984-5
December	International comparisons of taxes and social security contributions in 20 OECD countries, 1975-1985
	Employment in the public and private sectors, 1981-87

1988

January	Regional accounts 1986, part 2
March	The Budget, 15 March 1988
	The economy: recent developments and prospects to mid-1989
	Rebasing the National Accounts; the reasons and the likely effects
July	PSBR: new data on notes and coin
August	Research and development in the United Kingdom, 1986
November	Regional accounts 1987, part 1
December	The effects of taxes and benefits on household income, 1986
	Employment in the public and private sectors, 1982-88

1989

January	International comparisons of taxes and social security contributions in 20 OECD countries 1976-1986
	The effects of rebasing on the estimates of gross domestic product
February	An investigation into balancing the UK national and financial accounts, 1985-1987
	The rebased index of production
March	The Budget, 14 March 1989
	The economy: recent developments and prospects to mid-1990
May	Energy consumption in the United Kingdom
July	Regional accounts 1987, part 2
August	A technical note on the treatment of the community charge and non-domestic rates in the national accounts
	Research and development in the United Kingdom in 1987
November	Regional accounts 1988, part 1
December	Employment in the public and private sectors

1990

March	The Budget, 20 March 1990
	The economy; recent developments and prospects to mid-1991
April	Regional accounts 1988, part 2
	International comparisons of taxes and social security contributions in 20 OECD countries, 1977-1987
May	The effects of taxes and benefits on household income 1987
June	The Welsh index of production and construction
September	Research and development in the United Kingdom in 1988
October	Estimates of the distribution of wealth
November	International comparisons of taxes and social security benefits in 20 OECD countries, 1978-1988
	Regional accounts 1989, part 1
December	Employment in the public and private sectors

1991

January	The 1989 Share Register Survey

February	Improving economic statistics; the Chancellor's Initiative
March	The Budget, 19 March 1991
	The economy; recent developments and prospects to mid-1992
April	Regional accounts 1989, part 2
June	Number of property transactions in England and Wales
July	Number of property transactions in England and Wales (amendments)
August	Research and development in the United Kingdom in 1989
October	The 1991 Share Register Survey
November	Regional accounts 1990, part 1
	Estimates of the distribution of personal wealth; marketable wealth and pension rights of individuals 1976 to 1989
December	The use of supply side estimates in the National Accounts
	Employment in the public and private sectors