



Report on the Quinquennial Review of the PRODCOM Annual Survey

June 2007

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Executive Summary

- What the review covers** 1. This is the report of the quinquennial review of the Annual PRODCOM (PROducts of the European COMMunity) Survey. PRODCOM is a statutory survey, which is carried out by the Employment, Earnings and Innovation Division of the Office for National Statistics (ONS). The previous review was finalised in February 2001, therefore this review covers the period from March 2001 to May 2007 (more detail is included in section 2).
- What PRODCOM covers** 2. The PRODCOM survey is a European Initiative and is governed by EU Regulation. It is a compulsory survey and is collected under the statutory powers of the Statistics of Trade Act 1947 for Great Britain and Employment (NI) Order 1988 for Northern Ireland. PRODCOM is a harmonised system for the collection and publication of product statistics. PRODCOM collects value and volume data from UK manufacturers for 4,400 products. These are assigned to 258 industries. Up until 2004 results, 211 industries were collected annually and 47 quarterly (more detail is included in section 2) and are published in the Product, Sales and Trade series. From 2005, the PRODCOM survey is collected annually for all industries.
- What PRODCOM is used for** 3. PRODCOM estimates are supplied to EUROSTAT (The Statistical Office of the European Communities) for publication which permits international comparisons with data from other European countries. This enables the Commission to monitor manufacturing activities in the single European market. PRODCOM data are also used in the ONS and by other government departments and non-government users (more detail on specific uses is included in section 3).
- Respondent views** 4. As part of this review a questionnaire was sent to 200 respondents. These respondents were randomly selected, ensuring a good representation from each employment size-band. This has enabled ONS to gauge the opinions of manufacturers ranging from very small to very large businesses.

Eighty questionnaires were returned which amounted to 40% of the sample and so the response rate was considered satisfactory. Of those who returned the questionnaires, 21% had difficulty in providing volume data, and 17% had difficulty producing the value data. These issues and other comments are detailed further

in section 5 and addressed in main recommendations in section 7.

User views

5. A questionnaire was sent to a total of 81 users, consisting mainly of trade associations. The users returned 19 questionnaires which amounted to 23.5% of the user sample and so the responses were considered disappointing. However, these were not response chased in an attempt to minimise burden for users. The replies for users of PRODCOM data suggest that PRODCOM data are used mainly to provide a picture of the UK market and assess the size of the market by UK manufacture sales. In contrast, it suggests that PRODCOM data are seldom used to look for opportunities to increase sales or look for opportunities to diversify production.

Costs

6. The total cost to government of running the survey during 2006 is £726k. These costs are excluding the costs for Northern Ireland.

Recommendations

7. This review makes the following recommendations:
 - Provisional results that are produced by 30 June each year and sent to Eurostat, should be published on the ONS website and be revised at a time to be specified.
 - Review the current method of applying disclosure rules: Eurostat is currently testing methods of perturbation of European Union aggregated totals to reduce the amount of data that are marked as confidential. Perturbation involves the controlled rounding of estimates and is a method that can be considered at national level to reduce the amount of disclosive data.
 - Current publication format of Annual PRODCOM data should be reviewed. This is recommended as it is often asked if data can be supplied in such a format that it can be manipulated. At present, this is not possible. In addition, the Business Statistics Users' Group 'BSUG News', Issue No.37, writes that a report by the Statistics Commission in June 2007, 'Data on demand – Access to Official Statistics' showed that 'there was widespread dissatisfaction with aspects of presentation, for example data embedded in large text files such as PDF's. What was wanted was 'easy to read' charts, bullet points summarising key trends and small tables with headline figures; in other words

products tailored for use on screen with a facility for data manipulation, not digested reproductions of paper products'. Furthermore, of the 81 users surveyed, consisting mainly of trade associations, of the 14 responses received on preferences for accessing data, 12 opted for an Excel workbook as their preference compared to two for the current PDF format.

- It is recommended that sampling methodology is reviewed to further reduce the burden placed on businesses with employment below 20 whilst still meeting the regulation requirements. The review of sampling methodology should also examine the potential to lower the 10 year rotation that is currently in place to further reduce burden. The requirement of the Eurostat regulation is that 90% of production per Nomenclature Generale des Activities Economiques (NACE), the EU standard industrial classification of all economic activities, class is represented (Article 3, paragraph 2). In addition, the regulation goes on to say that 'for evaluation of production, account shall be taken of all undertakings employing at least 20 people. This threshold shall be reviewed in the light of the requirement of representativeness referred to in paragraph 2'.
- It is recommended that the publication of trade estimates are still considered necessary alongside PRODCOM estimates. Alternative sources for such trade data may be considered. Trade estimates are available free of charge from Her Majesty's Revenue & Customs (HMRC) website and these are updated more frequently than PRODCOM estimates.
- The Office for National Statistics (ONS) should consider the validation, estimation and sampling methods of PRODCOM. PRODCOM has been in existence since 1993 and little has changed in terms methodology. A large amount of data has been obtained on which to review methodology.

Key Facts

	PRODCOM Survey
Date Annual Survey Commenced	1993
Previous Related Inquiries	Quarterly Sales Inquiry (QSI) Annual Sales Inquiry (ASI)
Statutory/voluntary	Statutory
Frequency of Survey	Annual
Information collected	Value and Volume (units or weights) of sales
Respondents	UK manufacturing companies
Sample: <ul style="list-style-type: none"> • Size • Coverage • Method 	22,000 Coverage varies between industries depending on sample size All businesses above a set employment threshold are selected. The threshold varies for different industries between 20, 50 or 100. Below the threshold businesses are randomly sampled stratified by industry and employment size band. Rotation is set at 10% each year except for those businesses with 0-9 employment
Use of Results	The primary use is for international comparisons between EU member states National Accounts Group use the data in the construction of input output tables Producer Price Index (PPI) uses PRODCOM data to weight various output price indices
Publications Produced	250 web publications are produced, one for each industry
ONS Cost	£726k (excluding Northern Ireland costs)

1. Introduction

Reasons for the review

- 1.1 Standing instructions on the control of statistical surveys require that regular annual surveys to businesses and local authorities are reviewed at least once every five years (monthly/quarterly surveys every three years). The aim of these procedures is to avoid unnecessary surveys, to ensure that control is exercised in the most cost effective way and that authorised surveys are conducted in such a way as to obtain the information needed while imposing the minimum burden on respondents.
- 1.2 The present instructions for controlling Government statistical surveys, including the procedures for reviewing surveys, were issued by the Prime Minister's office in 1999. These instructions reiterated the continuing need to review all regular surveys of business. Surveys with total compliance costs in excess of £250K are subject to a comprehensive review involving an external observer. Therefore, PRODCOM is subject to a comprehensive review.
- 1.3 This review was conducted with the help of Dr Hedley Rees of the University of Bristol to ensure an independent critical assessment of the needs of users and costs imposed on business.

Progress since the previous

- 1.4 The previous review of this survey was published in February 2001. **ANNEX A** contains a summary of the actions taken following the recommendations of that review.

Coverage of this review

- 1.5 This review covers the Annual PRODCOM sales survey.

2. Background

Introduction

- 2.1 PRODCOM (PRODucts of the European COMmunity) is a European Union (EU) wide survey of production mainly for the manufacturing industries collected under Council Regulation (EEC) no 3924/91.

Manufacturing (excluding recycling) and mineral extraction are sub-divided into a list of around 4,400 products. Companies selected for PRODCOM supply value sales data (as a proxy for production) for the products they manufacture, as well as non-manufacturing income. In addition, companies in approximately three quarters of the covered industries

supply volume sales data. For publication, PRODCOM sales data is matched with imports and exports trade data supplied by HMRC to allow for the calculation of UK net supply information.

All 258 industries are collected annually. Until the end of 2004, 47 industries were collected quarterly (mainly chemicals, textiles and pumps and compressors). The sample size is around 22,000 businesses for the annual survey. The data are published by industry on the National Statistics website www.statistics.gov.uk/onlineproducts/default.asp#commerce

History of survey

- 2.2 A previous triennial review contained the full history of the survey (see ANNEX B). The survey is compulsory and is governed by an EU Regulation and collected under the statutory powers of the Statistics of Trade Act 1947 for Great Britain and under Employment (NI) Order 1988 for Northern Ireland.
- 2.3 Since the last review in 2001, some changes have been made to the survey: all industries that were collected quarterly have been collected annually from 2005. There were previously 47 industries collected on a quarterly basis (approximately 20%) which have now moved to an annual basis. It is estimated that this reduction reduced the cost to businesses by £350,000. The employment question has been removed from the survey. Data and quality measures are now available on the ONS website at www.statistics.gov.uk/onlineproducts/default.asp#commerce

Information collected

- 2.4 The PRODCOM survey collects both value and volume data of product sales for 4,400 products from UK manufacturers. Eurostat produces a list of commodities each year detailing the products for which they require value data, with some products also requiring volume data to be collected.

Previously Eurostat produced 'A list' and 'B list' products. The 'A list' consists of product headings that were a compulsory requirement of the regulation; the 'B list' the products that it was not compulsory to collect. Eurostat now only makes one list of products and require data to be collected for all products.

- 2.5 The PRODCOM survey covers all manufacturing industries from NACE 13100 to 36639 with the exception of 27100 which is collected by the Iron and Steel Statistics Bureau (ISSB) who pass the data to the PRODCOM team.

2.6 PRODCOM discontinued collection of volume data for selected products where it was deemed unsuitable to the industry (e.g. Sub Class 28750 - Miscellaneous Fabricated Metal Products), although this is still a requirement of PRODCOM regulation.

2.7 The data collected are based on invoiced sales but for certain products total production and production intended for sale are alternatively collected. In addition to the product data PRODCOM collects Standard Headings:

- **Merchanted goods** - the value of sales of goods not subject to any manufacturing process;
- **Work done** - the amount the company has charged for work it undertakes on materials supplied by the customer;
- **Waste products** - the value of sales of waste products and residues;
- **Non-production income** - derived from the provision of services and other non-production activities not elsewhere specified;
- **Total turnover** - the sum of the product sales together with the standard headings;
- **UK manufacturer sales of “other” products and products not published** – for recording product sales less than £25,000 and also contains the aggregated total of suppressed values that are marked as confidential (suppressed) within the product pages of PRODCOM reports.

The standard headings are an integral part of the validation checks for the Data Validation Branch (DVB) to ensure the product and non-product sales are correctly aggregated. Also, standard headings are used by Current Price Input-Output branch as a congruency check with the Annual Business Inquiry (ABI) data.

2.8 PRODCOM requires data for a calendar year although non-standard year endings are also accepted. Best estimates are acceptable where precise data are not available, in particular for volume data.

Personalised questionnaires **2.9** Each existing respondent to the PRODCOM survey is sent a personalised questionnaire: the questionnaire is tailored to include only the products that the company manufactures as well as the standard headings. If a

respondent then makes a product that is not listed they are asked to add it to the bottom of the questionnaire. This product will be automatically inserted on the questionnaire for the next period.

2.10 New respondents may be telephoned before the questionnaire is sent to ensure the correct classification and to personalise their questionnaires. If this is not possible then they would receive a full list of products for their industry and they would choose the relevant products. If they are uncertain they are encouraged to write in their products along with the Combined Nomenclature (CN) code (if known) on the questionnaire and the DVB would then allocate the correct PRODCOM codes. These questionnaires will then be personalised for the next period. This only applies to GB respondents as Northern Ireland has different procedures.

2.11 Personalised questionnaires help reduce ONS processing time and also reduce the respondents' completion time.

2.12 Examples of personalised and new respondent questionnaires are attached at ANNEX C. Both questionnaires are issued with a covering letter together with supporting guidance notes.

Previous sample

2.13 The EU regulation requires a 90% coverage of production within each NACE class. In the first few years the sample design was as follows:

- A top size-band where every company was selected to achieve a 90% by employment coverage provided the employment did not fall below 20.
- A middle size-band from 10 employment up to the employment cut-off , businesses were sampled using the probability proportional to size sampling.
- A lower size-band from 0 up to 9 employment. A small number were selected using random sampling.

Current sample

2.14 The sample size of the PRODCOM survey consists of approximately 22,000 businesses for the 2007 survey. This was reduced from 24,500 in previous years to lessen the burden on smaller businesses (employing 10-19 employees).

Following the recommendations of a previous review the sample was designed to minimise sampling errors of the survey population and to reduce the burden on respondents. The new sample design consists of:

- Five employment size-bands, 0-9, 10-19, 19-49, 50-99 and 100+ .This gives a more even coverage of respondents throughout the industry than the previous three size-bands.
- Three employment cut-off thresholds (of 20, 50 and 100) where all respondents above this point are selected (the cut offs previously ranged from 20 up to1000+) The cut off level for each industry has been calculated according to the coverage required.
- The size-bands from 10 employees up to the employment cut-off threshold have an optimal number of respondents to be selected for the survey. The number to be selected has been calculated to minimise the burden of sampling, without compromising the calculation of final estimates. These respondents are then selected using a PRN (Permanent Random Number) sampling method. After each selection process each will be rotated.
- The 0-9 size-band has a maximum number of 1500 respondents and is covered by the ONS Osmotherly rules (which came into effect in 1997). These rules guarantee respondents a survey holiday of three years.
- Rotation has been set at 10% per year for the annual survey. This should result in a new sample after 10 years but this does depend upon the volatility of the universe data.

Operational Procedures

- 2.15** The questionnaires are despatched on the first working day of the year and there is a three week return date.
- 2.16** There are two reminders, the second accompanied by a duplicate questionnaire.
- 2.17** Telephone response chasing starts when the last reminders have been despatched and continues up to the final result run. The overall target response rate for PRODCOM is 80% by questionnaires and 80% of the total employment of all selected businesses. However there are also industry specific target response rates.

2.18 Returned questionnaires are scanned in the post room and are subject to validation checks. The respondent data that fail the validation gates are subject to further checking.

Results processing

2.19 The results are run in stages from April onwards, on an industry by industry basis. The DVB are responsible for running the ungrossed results which includes aggregation and imputation. The ungrossed data are then loaded electronically onto the PRODCOM (Results, Analysis and Publications) result checking system in SAS.

2.20 Once the data have been loaded onto the results system they are then run through the following processes:

- Estimation - as PRODCOM selects all respondents over an employment threshold and only sample below this, the system will calculate an estimated value for the respondents that were not sampled based on the returned Sales Per Head (SPH) data. SPH is calculated using the returned values for a product divided by the register employment.
- Match PRODCOM to Trade - PRODCOM data are matched with the trade data (imports and exports) ONS receive from HMRC. This is achievable because trade data is supplied on a Combined Nomenclature (CN) basis, which has a direct correlation to PRODCOM codes.
- Question analysis - the questions (PRODCOM and trade) that fail the following validation gates are then ready for further analysis on the SAS system:
 - i.** Period on period - checks for a movement of 20% or more between each period's sales
 - ii.** Revisions - checks for data that have been revised by 20% or more since previous period's results
 - iii.** Unit values - checks for a movement of 15% or more between each period's unit value
 - iv.** Trade unit values - checks for a difference of 100% or more between the trade unit value and the PRODCOM unit value

- v. Grossing factor checks - picks out any questions whose grossing factors are high, or have changed significantly from one period to the next. Grossing factor check will fail if it changes from the previous period by 0.5 or more or if the grossing factor is 2.5 or larger
- vi. Once the failed data have been investigated they are then disclosure checked and finalised for publication.

Publications

2.21 PRODCOM data are currently available in a series of reports called 'Product Sales and Trade'. They are published by The Office for National Statistics on the website www.statistics.gov.uk.

Surveys that collect similar data

2.22 There are other National Statistics surveys that collect product data. The Annual Minerals Raised Inquiry (AMRI) collects volume data for minerals extracted. Since 1995 data collected by AMRI are used in the PRODCOM survey to avoid duplication.

2.23 The Monthly Production Inquiry (MPI) only collects total turnover, not data about the individual products manufactured by respondents. There are however, a significant number of respondents who return only one product figure to PRODCOM and it is, in theory, possible that this information could be collected through MPI for PRODCOM. The option for MPI to collect data on single product manufacturers has been monitored and carefully reviewed but was rejected because of the differences between sampling, classification updates on the IDBR (there may also be discontinuities in respondent reporting arrangements) and because there would be no notification in changes of product discontinuities in respondent reporting arrangements). Also, there would be no notification in changes of product, and, there is no volume data available and no representation in the 0-9 size-band.

2.24 The Annual Business Inquiry (ABI, previously the Annual Census of Production (ACOP)) also collects total turnover plus other variables similar to the standard headings collected by PRODCOM (see paragraph 2.7 for details on these PRODCOM variables). The feasibility therefore exists of collecting the standard headings on behalf of PRODCOM. There are, however, difficulties associated with this:

- While data at the individual respondent level are required by both inquiries, ABI collection allows financial year-end whereas PRODCOM collects a calendar year.

- Employment size-bands are different to PRODCOM. This could lead to considerable differences in sales values for individual product headings in the smaller size-band because ABI collects data on total sales of own manufactured products, not sales of individual manufactured products.
- If ABI collect data on behalf of PRODCOM it would not be possible to meet all of the Eurostat regulation in terms of timeliness.

These current inconsistencies therefore prevent PRODCOM from collecting standard heading data on behalf of ABI until both inquiries are able to collect on the same periodic basis.

3. Uses/User Views

ONS uses

3.1 Key internal and external users of PRODCOM data were contacted and their opinions on a number of issues were sought. A summary of their views and how they use PRODCOM data is shown in the following paragraphs. Specific user details can be found in the referred annexes.

Producer Price Indices (PPIs)

3.2 Producer Price Indices (PPIs) are published monthly by the Office for National Statistics. They are used to monitor inflation in the economy and as deflators to convert from current to constant prices in the national accounts.

3.3 The PPI is produced by measuring the price movements over time of a basket of goods produced by the manufacturing sector. PRODCOM data on product sales are used to weight the various output price indices in the PPI. Detailed PRODCOM product sales data are used to select a sample for PPI. The PPI sample is drawn from respondents to PRODCOM as PRODCOM is selected from the IDBR at eight digit product level, whereas PPI uses six digit product level. Therefore, PRODCOM data can be used for six digit product level where the eight digit PRODCOM Commodity Code (PCC) the first six digit product code needed by PPI.

3.4 The PPI considers PRODCOM value data to be essential for PPI rebasing, to reweight respondents, item price quotes, indices and possible chain linking. The PPI team have confirmed that there is no other source of information available in the detail required.

Ideally they would like to have equivalent data for the service industries.

Current Price Input-Output tables (CPI-O)

3.5 PRODCOM data are required as part of the make table – an integral part of the annual input-output balance used to reconcile the three measures of Gross Domestic Product (GDP) and Gross National Income (GNI). The function of the make table in the annual balance is to analyse the output of industries by product thus giving an estimate of domestic supply. PRODCOM value data are required in order to analyse total turnover, work done and industrial services rendered for each production industry at the input-output group level. National accounts also receive data at SIC (03) five digit subclass level, two digit division level, alpha character subsection and section level.

3.6 PRODCOM data form an essential part of the current price input–output supply and use tables (CPI-O). Without reliable PRODCOM data the integrity of the balance struck, and hence the National Statistics estimate of GDP and GNI is threatened. CPI-O has confirmed that there is no other source of information available in the detail required.

Inter-Departmental Business Register (IDBR)

3.7 The PRODCOM survey currently has a high influence in the classification of businesses on the IDBR. The IDBR is an invaluable base for National Statistics surveys. It enables the surveys to be more efficient in their sampling, thus reducing the overall number of questionnaires needed. Businesses are classified to a particular industry according to their main employment activity. The removal of PRODCOM as a major source of classification would therefore have an adverse effect on the quality of the IDBR.

Other Government uses

3.8 Apart from ONS , PRODCOM data are also used by The Department for Business, Enterprise & Regulatory Reform (BERR) to monitor industrial activity at macro and micro economic level. BERR have commented on the number of data that are marked as disclosive (suppressed) in some industries and would like products to be combined to allow more data to be made available.

3.9 PRODCOM is a valuable source of data for BERR and is used in a variety of ways. Its removal would create serious difficulties for that department because in its view there are no alternative sources of information to substitute it.

3.10 The Scottish Government and the National Assembly for Wales have an interest in PRODCOM figures and

use PRODCOM regional figures in the compilation of their Indices of Production. The benefit of using PRODCOM data is that they provide sufficient coverage to enable a satisfactory quality to be maintained in their indices. The Scottish Executive requires current price input-output tables similar to those supplied to CPI-O. As with CPI-O data, there are no alternative sources of information that can be used to provide product level data on this basis.

Use by Eurostat

3.11 Eurostat's role is one of co-ordinator, data compiler and distributor as opposed to being actual data users. Its primary role is to facilitate the collection and collation of member states' data and to disseminate the information via the EUROPROD CD-ROM and their website. Eurostat is able to provide official data to various users who require reliable and comparable data regarding the range of products covered by the PRODCOM regulation. Some of these users are:

- The European Commission which requires such data for defining, implementing and analysing EU policies
- National governments
- Trade and industry
- The news media
- Private individuals

3.12 PRODCOM data plays an extremely useful role in analysing the competitive performance of individual countries. Inside Eurostat and the European Commission, some of the areas envisaged for further use of PRODCOM data are:

- Better measures of individual productivity and unit costs
- Analyses of industries by principal products. The Commission is greatly interested in examining the structure of individual industries
- Analyses of markets

Consultation with UK industry

3.13 An essential element of this review was to obtain as much information as possible from UK industry through trade associations that use the data regularly and respondents to the survey. They were provided with survey questionnaires that asked a variety of

questions relating to issues connected with the PRODCOM survey. Their views on PRODCOM data and a copy of the questionnaire that they received can be viewed at **ANNEXES E and F**.

- 3.14** This survey was carried out in 2007 and involved National Statistics approaching approximately 80 trade associations and other users for comments. The users returned 19 questionnaires which amounted to 23.5% of the user sample and so the response was considered disappointing. The replies for users of PRODCOM data suggest that PRODCOM data is used mainly to provide a picture of the UK market and assess the size of the market by UK manufacture sales. In contrast, it suggests that PRODCOM data is seldom used to look for opportunities to increase sales or look for opportunities to diversify production.

4. International Comparisons

EU Directive

- 4.1** The PRODCOM regulation required all EU countries to collect PRODCOM data from 1995 onwards. All member states now do this. PRODCOM is a harmonised survey in that all countries collect data classified to the same list of product codes, or in a form that can be readily matched to the standard PRODCOM list. The PRODCOM product list is updated each year to take account of new products and changes in other classification systems, mainly the Combined Nomenclature (CN).

5. Respondents' Views

Respondents' survey

- 5.1** This quinquennial review departed from tradition because separate research into compliance costs will be considered at a future date. As part of this review a questionnaire was sent to 200 respondents. These respondents were randomly selected by stratum from the PRODCOM 2006 sample. This ensured a good representation of each employment size-band enabling the review to gauge the opinions of manufacturers ranging from the smallest to the largest businesses.

Summary of findings

- 5.2** One hundred and two questionnaires were returned which amounted to 51.0 % of the sample and so the response was considered adequate. The percentage of returns was consistent across size-bands.

- 5.3** The majority of respondents (62%) had no difficulty in supplying the data for the values of sales. Of the respondents that did experience difficulty (17% of the total), the main problem cited was the time taken to extract data and fill in the questionnaires (7%).
- 5.4** The number of respondents experiencing difficulty in supplying the volume data was more (58%). Of the respondents that did experience difficulty (21%) the main reason cited was the time taken to extract the data (6%) followed by those who did not have data on volumes (4%).
- 5.5** Of the companies that responded only 14% reported difficulty in providing the data by the specified return date. The main reason given for the problem was that other work took priority to completing the questionnaires (5%).
- 5.6** The guidance notes were found helpful by 69% of respondents with only 6% finding them not helpful. The general comments on the PRODCOM questionnaire were complaints about receiving multiple questionnaires from ONS and the length of time it takes to complete the questionnaires.

Complaints

- 5.7** Please see **ANNEX J** for the number of complaints received since 2001.

6. Costs

Cost to government

- 6.1** The estimated ONS costs of conducting the PRODCOM survey during 2005/2006 was £726k. The full breakdown of these figures is below.

Staff and running cost	£000s
IM staff	25
DVB staff	429
PRODRAP staff	272
Total	726

7. Options for Change

- 7.1** Recommendations of the last review and progress made are attached in **ANNEX A**.
- 7.2** To meet the Eurostat regulation the ONS must provide Eurostat with a full dataset by 30 June following the end of the reference year. Provisional results were

produced by 30 June 2006 as a pilot and will be sufficient to send to Eurostat with some quality checks. When provisional data are made available to Eurostat to meet the 30 June deadline consideration needs to be given to making these data available to UK users of data.

It is recommended that provisional PRODCOM results are published on the National Statistics website.

- 7.3 Results are processed industry by industry. A report is then produced for each industry and published on the website as a PDF file. User views indicate a preference towards data that are able to be manipulated.

It is recommended that individual product data are published in an MS Excel file and that industry reconciliation tables continue to be presented within the same report.

- 7.4 A number of smaller companies commented on the time it takes them to fill out the questionnaires and the number of questionnaires they received from ONS.

It is recommended that the sampling procedures are reviewed to minimise the burden on smaller businesses. Additionally, the review of sampling methodology should also examine the potential to lower the 10 year rotation that is currently in place to further reduce burden. It should be borne in mind that the Eurostat regulation (Council Regulation No 3924/91) requires that 90% of production per NACE Rev 1 class are represented.

- 7.5 Trade data (imports and exports) are received from HMRC and published alongside the PRODCOM data. Very little checking is done on the trade data and inconsistencies can rarely be explained.

It is recommended that the publication of trade data is reviewed at the point of reviewing current publication format as these data are available via HMRC.

- 7.6 The Standard Industrial Classification (SIC) is being changed across Europe. It will be a European requirement to provide data using the new classification SIC 2007. PRODCOM will begin to collect data under this new classification for the 2008 survey. However National Accounts Group (NAG) will not change to the new system until 2010.

It is recommended that users (NAG and PPI) are consulted to find out their requirements in terms of back data and conversion matrices between the two classification systems.

- 7.7 The validation gates used in DVB and RAP have not been reviewed since 1993. These validation gates differ between the two areas as DVB validation is carried out at respondent level, whereas RAP

validation is carried out on estimated product aggregates.

It is recommended that the DVB gates are reviewed. It is also recommended that the RAP validation gates are reviewed.

7.8 Response rate targets are different for different industries.

It is recommended that there is an investigation into the impact of changing the response target. The response target rates need to be simplified with the aim to minimise the number of different response rates across industry sectors.

ANNEX A

Summary of previous recommendations

PROGRESS ON RECOMMENDATIONS OF:

THE 2001 REVIEW OF THE PRODCOM ANNUAL AND QUARTERLY SALES INQUIRIES

RECOMMENDATION	PROGRESS
<p>1. ONS and other government departments carry out a number of surveys that ask UK companies about their outputs of which PRODCOM is one. One option to reduce the burden of PRODCOM on companies is to use other surveys to collect some or all of the data currently collected on the PRODCOM form. (See paras 2.29, 2.30 and 2.31).</p>	<p>This review has considered the most obvious candidates (MPI, ABI and VAT returns) and rejected them because of the differences between sampling, classification updates on the IDBR and other inconsistencies</p>
<p>2. A number of smaller companies, particularly those with fewer than 20 employees, commented that they were sent a number of ONS forms. It is recommended that there be a review of PRODCOM sampling and estimation procedures for small companies to ensure burden is spread fairly and the number of forms received by a company from the ONS is controlled.</p>	<p>This recommendation has been carried over into this review</p>
<p>3. The European regulation governing PRODCOM stipulates that data for certain products should be collected on a quarterly basis. As part of this review, the list of 47 industries collected quarterly in the UK was analysed. Of these, 38 contain products that are required quarterly by the regulation and three are collected quarterly at the request of the UK trade associations. The remaining six are collected to ensure that the complete divisions for textiles, clothing and chemicals are collected quarterly. The savings to be made from converting the six industries to annual are minimal (£22k compliance cost, £7k cost to government) given the increased quality of data for these industries.</p>	<p>Implemented. All industries are now collected annually.</p>
<p>4. PRODCOM is one of a number of inquires that collect information on employment from companies. The PRODCOM question is not as straightforward as the ones on other forms as it asks for average employment during the reporting period (quarter or year) rather than employment at a specific point in time. In</p>	<p>Implemented. The employment question has been removed from all PRODCOM forms.</p>

RECOMMENDATION	PROGRESS
<p>addition, since the new estimation scheme was introduced, employment from the IDBR is used when producing UK estimates. As the employment collected is not required for PRODCOM processing or by PRODCOM users the question could be dropped from the PRODCOM form. Dropping the question would reduce total compliance time by approximately six minutes and compliance cost by £174k for both annual and quarterly industries.</p>	
<p>5. The part of the PRODCOM form that causes most problems for respondents is the volume question. This is often because the volume units are not strictly appropriate for the product that they relate to. If there is enough evidence that a volume unit is not appropriate then the UK can take that forward with Eurostat.</p>	<p>Implemented. Some of the volume questions have been removed.</p>
<p>6. The standard headings on the PRODCOM form, except employment, are used internally by ONS in balancing the national accounts and form a necessary part of the PRODCOM validation process.</p>	<p>Implemented. Standard headings have been retained.</p>
<p>7. The PRODCOM form is quite a complex return for companies as it asks for detailed information for each different type of product sold. To help companies complete the return in an easier format, the ONS is running a pilot Internet data collection exercise. Although at the moment the electronic return takes as long to fill in as the paper return, the Internet questionnaire carries out “live” on-line validation as the company completes the form. This has reduced the amount of re-contact for contributors on the pilot as figures that would fail validation checks when data is received in the ONS is flagged up to the company just after they enter a figure. Companies are asked to provide reasons for big changes, etc. at the data entry stage, which means they are not contacted later by ONS for explanations.</p>	<p>Not implemented. ONS does not collect data using the Internet due to security considerations.</p>
<p>8. One of the major sources of error in producing PRODCOM results is the misclassification of products to PRODCOM codes. One way of helping to classify products correctly is to produce a list of keywords (e.g. trade names) matched to the PRODCOM list.</p>	<p>Not implemented. This was recommended in the 2001 review because a similar system that had previously been in use was discontinued. The cost of building a similar system was considered to be too expensive.</p>
<p>9. A number of ONS inquiries collect data for manufacturing output. However, because of differences in timing of collection, sampling and estimation methods they can give different</p>	<p>Implemented. Congruency checks are carried out with other surveys when resources are available.</p>

RECOMMENDATION	PROGRESS
figures. Companies supplying different figures to each inquiry can also cause differences.	
10. PRODCOM data is produced to the highest possible standards within the constraints demanded by resources, timeliness and burden on suppliers. However, there is no information available to allow users to make a judgement on how accurate, or fit for their purpose the published data is.	Implemented. Quality measures (standard errors) are now published for PRODCOM.
11. The ONS collects data for PRODCOM under the Employment (NI) Order for Northern Ireland, which means that no information can be published that would allow a single company's data to be derived without written permission from the company. PRODCOM has a set of disclosure rules to prevent such an occurrence, but also writes out to the companies that are causing figures to be suppressed for permission to publish the data. Despite the permission seeking exercise there is still large amounts of data suppressed in some industries.	Methods to reduce the amount of disclosure in PRODCOM outputs continue to be explored.
12. ONS matches the PRODCOM data it collects with import and export information from Customs and Excise. If figures are inconsistent (e.g. unit values are substantially different, exports are more than production plus imports), the customs figure is suppressed. When consulting with trade associations they pointed out that the trade data was publicly available from customs, so there was little point in suppressing it.	Implemented. Trade data are not suppressed.
13. When PRODCOM was first published, the publications for the quarterly industries contained annualised totals for the latest two full years. These were dropped because of space restrictions, but users have requested that they be reinstated.	Not applicable. All data are now annual.
14. From the survey of data suppliers, 95% of companies that supply data for PRODCOM are not aware of how the data they supply is used or published. There is currently nothing on the form that gives any specific mention of what PRODCOM data is used for or how companies can get hold of data. Showing companies where their data ends up may have a positive effect on the response rate and the quality of data received.	Implemented. PRODCOM data are published on the ONS website and are freely available to all users.
15. The timing of PRODCOM publication is an issue for number of users. Presently PRODCOM results are published in 91 annual	Implemented. PRODCOM data are published on the ONS website

RECOMMENDATION	PROGRESS
<p>and 33 quarterly reports, the majority of which contain more than one industry. This means that some industries are ready for publication but are not available to users because the other industries in the report are not ready. There are also users who want two industries in different reports and have to buy two reports to get the data they want.</p>	

ANNEX B

HISTORY OF SURVEY

A fully developed product series is not something new – a comprehensive system was introduced with the Quarterly Sales Inquiries (QSIs) in the mid sixties. This collected product data on a quarterly basis. The inquiries were continually subject to review, most recently in the Armstrong/Rees review in 1988. The review was conducted by the Department of Trade and Industry (DTI) with a view to striking a balance between the burdens placed on business and meeting the needs of Government for data. The review greatly reduced the number of industries for which quarterly information would be collected, converting the majority of the inquiries to an annual basis. There was also a reduction in the number of products and other data collected.

Some of the recommendations of the Armstrong/Rees team were contrary to the then current voluntary EU requirements. Co-incidentally with these developments, Eurostat, in conjunction with National Statistical Offices and European Trade Associations were developing a harmonized system of collection of product statistics covering all member countries of the European Community. Their work culminated in a Council Regulation (No. 3924/91) approved on 19 December 1991 on the basis of which all Member States have to supply Eurostat with data on production based on a common list of products. This was deemed necessary for the European Commission to monitor the impact of its community policy regarding trade and industry. With the introduction of the single European Market, there was a greater expectation of more involvement by industry in that market and as a consequence, industry would want to have more information generally about the market size, penetration rates, etc. Earlier EU efforts to harmonize product statistics were not successful due to the differences in the level of detail and the various survey methods used to collect the data. In establishing this harmonized system of production statistics Eurostat had two particular conditions in mind:

- The degree of detail must be sufficient to enable users from the public and private sectors to derive a recognisable benefit;
- The new production statistics should also be comparable, as far as possible with the external trade statistics in order to ensure the calculation of useful data about the size of the markets. This meant that ideally, not only the products should be comparable, but also the unit for actually measuring the quantity.

ANNEX C

ANNUAL PRODCOM QUESTIONNAIRES



Notice is given under section 1 of the Statistics of Trade Act 1947

PLEASE USE BLACK INK TO COMPLETE THIS FORM

Write any changes to your name/address in this box only.

1

TO BE COMPLETED FOR:

FROM:

Office for National Statistics
A Government Executive Agency
NEWPORT
NP10 8XG

YOUR CONTACT FOR HELP AND QUERIES:

Fax: 01633 652999

Your Reference:

FINAL REMINDER - YOUR FORM SHOULD HAVE BEEN RETURNED BY


Our records show that we have not yet received your return for this inquiry.
Please complete and return this form without delay via post or fax.

Please disregard this reminder if your return was posted recently.
Informed estimates are acceptable if exact figures are not available.
If you have any queries, you may telephone your contact named above.

IMPORTANT:

- Failure to make a return can incur penalties under section 4 of the Statistics of Trade Act 1947.
- It is illegal for us to reveal your data, or identify your business to unauthorised persons.

FOR YOUR INFORMATION:

- The numbers of businesses and questions are kept to the minimum required to produce reliable results.
- Copies of our code "Maintaining the Confidentiality of Data" are available on request.
- If you wish to use our Minicom service for the Deaf, please telephone 01633 812399. 
- Latest data for PRODCOM annual and quarterly inquiries are available from www.statistics.gov.uk or by calling 01633 813065.

WE WOULD APPRECIATE YOUR CO-OPERATION

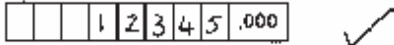
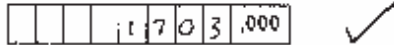
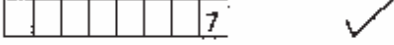
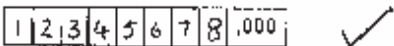

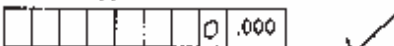
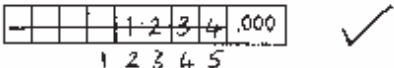
IMPORTANT

Please read these instructions before completing the form.


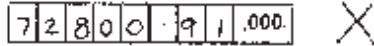



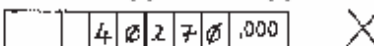
Scanning and imaging technology will be used to read this form to improve the efficiency of our operation. To maximise the benefit of this new technology each value box is split into individual character boxes. To ensure that your answers are read correctly and efficiently these need to be completed according to the guidance notes below.

If you have any relevant remarks regarding this return, please complete the comments box at the end of the form. This will ensure they are brought to our attention.

PLEASE DO

- print clearly in **BLACK INK**
- ensure that characters are centred within the boxes and do not touch the lines

- round your answers to the nearest € thousand
 for example €1,702,800 =

- round your answers to the nearest whole number
 for example 7.3 =

- enter only numeric characters

- leave box blank if an answer is not available

- enter zero if an answer is a genuine zero or not applicable

- cross out any mistakes and write the correct answer immediately above or below the box


PLEASE DO NOT

- use coloured ink as the data will not be read effectively
- overlap or join characters

- enter figures in less than whole €, for example €72,800.91 =

- strike through unused boxes

- enter commas (,) or dashes (-)

- write nil or not applicable

- cross zeros (0) or sevens (7)


00111021

PRDEUR

This form covers all activities carried out in the United Kingdom for the company shown on the front page. If the precise figures are not yet available please give informed estimates.

NOTES FOR SECTION A & B

Enter the amount for each of the products listed below. This should be the "net selling value" which means the amount charged to customers whether "ex-works" or "delivered". If volume data is requested but is not available then state this in the comments box.

INCLUDE

- Sales of goods of own production invoiced during the period, net of trade and other discounts, agents' commissions, allowances on returns.
- Transfers of goods to other parts of the same organisation not covered by this return. These should be valued as if sold to an independent customer.
- Cost of packaging materials less allowances for returnable containers.
- Sales of goods made for you under sub-contracting/toll manufacturing arrangements i.e. work carried out by other firms or outworkers on materials supplied by you.
- Free-on-board value where goods have been exported.
- Staged payments - where large constructions are invoiced in stages, the sales should be included as each stage is invoiced. Volumes should be recorded on completion of the project.

EXCLUDE

- VAT.
- Net proceeds from sale(s) of capital item(s).
- Where possible all transport costs (these should be recorded in Section C).

SECTION A - PRODUCTS

PLEASE NOTE:

If no products are listed below please go straight to Section B,C & D. Do not amend the product descriptions below. If some of your products are missing or described incorrectly then give the description and value in Section B.

SECTION E -YOUR COMMENTS

Please include details of any significant impacts upon your data resulting from changes in the accounting approaches you have taken e.g. moving from UK accounting standards (UK GAAP) to International Accounting Standards (IAS/IFRS).

<ul style="list-style-type: none"> ● We cannot guarantee to pick up your comments unless they are inside this box. ● Please use this space to comment on the figures included in this form. For example, please explain significant fluctuations in your figures compared with those of the previous period or to provide further details of new products. This may save us having to contact you again later. ● We would also welcome feedback on the design of this form, or any contact you have had with staff. 	146
<p>Thank you for completing this form. You may find it useful to keep a copy of this completed form for your records or for further queries.</p>	
Signature :	Date:

Where available we have printed your details below. Please make any amendments in the boxes provided, using BLOCK CAPITALS.

Name of person to contact:

Telephone Number: Ext.

Fax Number:

E-mail address:

ANNEX D

PRODUCT SALES and TRADE

PRA 18100

Leather Clothes

2005

PRODCOM

PRODCOM stands for PRODUcts of the European COMMunity and is a European Union (EU) wide survey of production mainly for the manufacturing industries and covers around 4,400 products classified to around 250 industries. Companies selected for PRODCOM supply value sales data for the products they manufacture, as well as non-manufacturing income. In addition companies in approximately three quarters of the covered industries supply volume sales data. All figures are now collected annually.

The reports contain data on the sales of UK based manufacturers of individual products covered by the PRODCOM inquiry, and most contain imports and exports data supplied by Customs & Excise (C&E). The data for each industry are shown in a series of three types of tables: Sales and Turnover, Principal Products and Trade and Individual Products. For further Information go to http://www.statistics.gov.uk/downloads/theme_commerce/PRODCOM_information.pdf

The sample design selects businesses by employment size and industry classification. Additional constraints are built into the sample design with a view to restricting the burden of form filling on smaller businesses. For further methodological information go to http://www.statistics.gov.uk/downloads/theme_commerce/PRODCOM_Methodological_note.pdf

Standard error estimates are also published for most product value estimates. For more information on standard error estimates go to http://www.statistics.gov.uk/downloads/theme_commerce/PRODCOM_Quality_Measures_Explanatory_Notes.pdf

Symbols used

- S - Suppressed as disclosive
- S* - Suppressed as disclosive but included in the aggregated for UK Manufacturer Sales of "Other" products in the Sales and Turnover table
- N/A - Data not available
- * - Not able to provide data due to secondary disclosure, different units of measurement or other technical issues

Contact Points

For enquiries about this publication contact:
The Prodcum Enquiry Point
Tel: 01633 813065
E-mail: prodpublications@ons.gov.uk

For general enquiries contact:
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Tel: 0845 6013034
Fax: 01633 652747
E-mail: info@statistics.gov.uk

A National Statistics Publication

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INDUSTRY PRINCIPAL PRODUCTS AND TRADE	36
PCC 18101000	37
Articles of apparel of leather or of composition leather INCLUDING: - coats and overcoats EXCLUDING: - clothing accessories - headgear - footwear	

INDUSTRY SALES AND TURNOVER

Leather Clothes - Industry 18100

This table shows the relationship between the total sales of principal products of the industry and the total turnover of the companies classified to the industry.

Companies are classified to an industry according to their main production activity (principal products). The total turnover of the companies is broken down into non-production activity, split into four main heading, Net Carry-In/Carry-Out and the Total UK Manufacturer Sales of products within this industry.

Carry-In sales are defined as the sales of products classified to an industry which are made by companies classified to other industries. Conversely, Carry-out sales are the sales of products classified to other industries by companies classified to this industry.

Value £000's	2002	2003	2004	2005
UK MANUFACTURER SALES OF INDIVIDUAL PRODUCTS PUBLISHED FOR THIS INDUSTRY (See Note 1 below)	10,434	8,098	5,585	6,307
UK MANUFACTURER SALES OF "OTHER" PRODUCTS AND PRODUCTS NOT PUBLISHED FOR THIS INDUSTRY (See Note 2 below)	96	436	1,092	178
TOTAL UK MANUFACTURING SALES OF PRODUCTS IN THIS INDUSTRY	10,529	8,534	6,678	6,484
PLUS				
MERCHANTED GOODS (Sales of goods not subjected to any manufacturing process by vendor)	S	S	1,590	506
WORK DONE (Work done on materials supplied by customer)	331	S	S	0
WASTE PRODUCTS (Sales of waste products and residues)	0	0	0	0
ALL OTHER INCOME (Derived from provision of services and other non-production activities not elsewhere specified)	176	314	S	325
NET CARRY-IN/CARRY-OUT (See Note 3 below)	33,652	24,426	29,484	10,357
TOTAL SALES OF BUSINESSES CLASSIFIED TO THIS INDUSTRY	57,256	39,614	38,292	17,672

1 Data in this series do not contain suppressed data and, therefore, may not be comparable from period to period.

2 "Other" products are those with a sales value of less than twenty five thousand pounds each, which will not have been reported separately. This heading includes any data marked S*.

3 Carry-Out (Sales of products classified to other industries, but made by businesses classified to this industry) LESS Carry-In (sales of products in this industry, but made by businesses classified to other industries).

INDUSTRY PRINCIPAL PRODUCTS AND TRADE**Leather Clothes - Industry 18100**

This table shows the total sales for all principal products for the industry. It includes data on total UK Manufacturer sales, imports exports and derived data for net supply to the UK market, home sales and home production.

The data are given in value terms only.

Value £000's

	2002	2003	2004	2005
UK Manufacturer Sales	10,529	8,534	6,678	6,484
Intra EU Exports	22,073	19,904	16,355	16,330
Intra EU Imports	46,096	30,885	28,766	29,046
Net Balance	24,023	10,981	12,411	12,716
Extra EU Exports	3,977	6,073	5,133	4,214
Extra EU Imports	133,794	101,555	80,269	75,254
Net Balance	129,817	95,482	75,136	71,040
Total Exports	26,050	25,977	21,488	20,544
Total Imports	179,890	132,440	109,035	104,300
Net Balance	153,840	106,463	87,547	83,756
UK Net Supply	164,369	114,997	94,225	90,240

**Export as % of
UK Manufacturer Sales**

	2002	2003	2004	2005
UK Manufacturer Sales	100	100	100	100
Intra EU Exports	209.63	233.22	244.93	251.85
Extra EU Exports	37.77	71.16	76.87	64.99
Total Exports	247.40	304.38	321.80	316.84
UK Sales	-147.40	-204.38	-221.80	-216.84

**Import as % of
UK Net Supply**

	2002	2003	2004	2005
UK Net Supply	100	100	100	100
Intra EU Imports	28.04	26.86	30.53	32.19
Extra EU Imports	81.40	88.31	85.19	83.39
Total Imports	109.44	115.17	115.72	115.58
UK Production	-9.44	-15.17	-15.72	-15.58

PCC 18101000

CN (420310)

**Articles of apparel of leather or of composition leather INCLUDING: - coats
and overcoats EXCLUDING: - clothing accessories - headgear - footwear**

Value £000's	2002	2003	2004	2005
UK Manufacturer Sales	10,434	8,098	5,585	6,307
Intra EU Exports	22,073	19,904	16,355	16,330
Intra EU Imports	46,096	30,885	28,766	29,046
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Net Balance	129,817	95,482	75,136	71,040
Total Exports	26,050	25,977	21,488	20,544
Total Imports	179,890	132,440	109,035	104,300
Net Balance	153,840	106,463	87,547	83,756
UK Net Supply	164,274	114,561	93,132	90,063

Volume (Number of items)

UK Manufacturer Sales	173,780	105,097	68,593	41,017
Intra EU Exports	841,242	874,024	543,466	S
Intra EU Imports	574,068	591,068	1,369,432	S
Net Balance	-267,174	-282,956	825,966	*
Extra EU Exports	99,721	139,252	153,867	123,366
Extra EU Imports	6,454,463	5,033,519	4,583,250	4,207,071
Net Balance	6,354,742	4,894,267	4,429,383	4,083,705
Total Exports	940,963	1,013,276	697,333	*
Total Imports	7,028,531	5,624,587	5,952,682	*
Net Balance	6,087,568	4,611,311	5,255,349	*
UK Net Supply	*	*	*	*

£ per Item

UK Manufacturer Sales	60.04	77.05	81.43	153.75
Intra EU Exports	26.24	22.77	30.09	*
Intra EU Imports	80.30	52.25	21.01	*
Extra EU Exports	39.88	43.61	33.36	34.16
Extra EU Imports	20.73	20.18	17.51	17.89
Total Exports	27.68	25.64	30.81	*
Total Imports	25.59	23.55	18.32	*
UK Net Supply	*	*	*	*

ANNEX E

USERS' VIEWS

The results of this quinquennial review support, in part, the comments of the Report on the Triennial Review of the PRODCOM Annual and Quarterly Inquiries in that:

- The Sales Value Data for individual product categories are found the most useful and the Volume Data and UK Net Consumption are not used by the majority of users.
- Most respondents use the data to paint a picture of the UK market or as a tool for research purposes.

Respondents of this current review predominantly use the PRODCOM to assess the size of the market by UK Manufacture Sales but they would not use it significantly to look for opportunities to increase sales or diversify production.

Most of the respondents use PRODCOM data in conjunction with other official data. They confirmed that they were unable to use any other data sources to supply adequate UK product sales data.

The vast majority of users were satisfied with the three years of published PRODCOM back-data and a lesser majority were also satisfied with the actual PRODCOM data.

GENERAL COMMENTS FROM USERS

Some respondents commented that a longer back history would be useful providing corrections and reclassifications were taken back to all affected years. They remarked that historical PRODCOM data is not suitable for comparison unless all units are the same.

Other respondents stated that the PRODCOM codes are too general for their use and suggested improving the industry report by updating the product categories.

Some respondents stated that they carry out their own industry surveys, collecting primary data and talking to their customers and potential customers.

While appreciating the need to protect disclosive data, some respondents remarked on the extensive suppressions and suggested that combining similar products could release some of the data.

Users within the Office for National Statistics (ONS) were enthusiastic about the data and said that it provided important weighting data for the Producer Price Index (PPI). The PPI is essential for deflating the national accounts and is widely used in contracts. ONS users would like to have an equivalent for the service industry (SERVCOM) to enable them to develop service sector price indices. PRODCOM data is also used to derive industry output structures for use in current price input/output.

Some respondents complained that the data is untimely remarking on the deterioration in service after the abolition of quarterly reports. They commented that there were some teething troubles arising from move from quarterly to annual PRODCOM. In contrast to this, another commented that PRODCOM data was unnecessary - backward looking – and created a reactive mentality.

One respondent replied that PRODCOM is useful for comparing with business-conducted in-house surveys.

Some commented that PRODCOM trade data is incomplete or unreliable and one respondent reported the use of trade data published in the monthly MQ10 monitor or in detail from www.uktradeinfo.com. The MQ10 series was terminated in 2002 and the last issue of monitor MQ10 covered the second quarter of 2002.

SUMMARY RESPONSE INFORMATION RELATING TO THE PRODCOM 2007 QUINQUENNIAL REVIEW

Response to the users' survey has been disappointing. Only 19 of the 81 review questionnaires (23.5%) were completed and returned.

USERS' QUESTIONNAIRE

What information do you currently use/find useful?	Very useful	Useful	Don't Use It
Whole industries	7	2	7
Individual Product Categories	11	3	4
Sales Value Data	12	2	4
Sales Volume (Quantity) Data	5	3	10
Trade Figures	5	6	6
UK Net Consumption	4	6	7
Industry Summary Tables	7	4	6

How often and for what purpose do you use our information?	Frequently	Infrequently	Never
Provide a picture on the UK market	11	2	3
Assess size of the market by UK manufacture sales	10	3	3
Assess size of the market by volume data	3	4	8
Assess size of the market by import/export data	4	7	5
Assess performance of other industry groups	6	5	5
Look for opportunities to increase sales	2	2	11
Look for opportunities to diversify production	2	1	11
Research	4	6	4

	Yes	No
Do you use PRODCOM data in conjunction with any other official data?	9	2
Can your data-needs be met by other sources?	2	13
Do you find the three periods of back data we publish sufficient for your needs?	11	4
Are you satisfied with the data we publish?	8	7

ANNEX F

USERS' QUESTIONNAIRE

PRODCOM SURVEY / PRODUCT SALES & TRADE REPORTS VOLUNTARY SURVEY

From:-

INQUIRY REVIEW QUESTIONS (Please tick more than one box if appropriate)

1. What information do you currently use/find useful?

a.	Very Useful	Useful	Don't Use It
Whole Industries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Individual Product Categories	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.			
Sales Value Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales Volume (quantity) data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trade Figures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UK Net Consumption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Summary tables	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify if "Other" or give any other comment

.....

2. How often and for what purpose do you use our information?

	Frequently	Infrequently	Never
a. Provide a picture on the UK Market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Assess size of the Market by UK Manufacture Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Assess size of the Market by Volume Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Assess size of the Market by Import/Export Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- e. Assess performance of other industry groups
- f. Look for opportunities to increase sales
- g. Look for opportunities to diversify production
- h. Research
- i. Other (Please specify below)

.....

Comments on points 2a to 2h above

.....

3. Do you use PRODCOM data in conjunction with any other official data?

If Yes, please give details:

.....

4. How far does the survey meet your needs in terms of data? Please include comments on our publications (Product Sales and Trade) and how could we improve them.

.....

5. Can your current data-needs be met by other sources?

Yes No

If Yes, please specify

.....

6. Do you find the three periods of back data we publish sufficient for your needs?

Yes No

If No, would you prefer more or fewer back periods?

More Fewer

Please explain why you require more or fewer back periods.

.....

.....

7. Are you satisfied with the data we publish?

Yes

No

If No, please explain why

.....

8. Would your preference for accessing our data be:

a. Portable Data Format (PDF)

b. Microsoft Excel Workbook

c. Other (Please state below)

.....

If you have any further comments, please add them below:

.....

9. Would you be willing for ONS (or an agency employed by ONS) to contact you for further feedback on how to improve our products?

Yes

No

Please return the completed questionnaire as soon as possible.

Thank you for taking the time to respond to this survey.

Claire Collins

Statistician

**PRODCOM Survey
Room 2.301
Office for National Statistics
Government Buildings
Cardiff Road
Newport
NP10 8XG**

June 2007

ANNEX G

LETTER TO RESPONDENT AND RESPONDENT QUESTIONNAIRE



Claire Collins
PRODCOM Survey
Room 2.301
Office for National Statistics
Cardiff Road
Newport
NP10 8XG

Date: 2 January 2007

Our Ref: 499XXXXXXXX / XXXXX

<<Name>>
<<Business Name>>
<<Business Address>>

Dear Sir/Madam

Quinquennial Review of the PRODCOM Survey

I am writing to ask you for your help with a review of the PRODCOM Survey. The Office for National Statistics (ONS) regularly reviews each of its statistical inquiries as part of a Government initiative. You have been selected at random from a number of contributors whose businesses have participated in PRODCOM to take part in this review.

All the information you provide will be treated as confidential and neither you nor your business will be identified in reports on the review. Participation is voluntary but we hope you will help us by sharing your views on PRODCOM. The enclosed questionnaire should be completed by the person who usually fills in the PRODCOM questionnaire. The deadline for completion is 1st March 2007, however, if you prefer not to respond please let us know by returning the blank questionnaire in the enclosed prepaid envelope.

The findings of the review will be available on the National Statistics website. If you have any questions about this survey or require any further information then please contact us on tel: 01633 812921 or fax: 01633 812855. Alternatively, you can write to us at the address on the letterhead.

Thank you in advance for your help.

Yours faithfully,

Claire Collins
Statistician
PRODCOM

1. Do you have difficulties understanding any of the questions on the value of sales on the PRODCOM questionnaire?

Please write an in the box beside your chosen response.

Yes

No → Go to question 2

1a. Please write below, a brief description of the difficulties that you are having providing the value of sales data for this survey:

2. Do you have any difficulties providing the volume of sales data asked for on the PRODCOM questionnaire?

Please write an in the box beside your chosen response.

Yes

No → Go to question 3

2a. Please write below, a brief description of the difficulties that you are having providing the volume data of sales data for this survey:

3. Are you able to provide all the data by the specified return date?

Please write an in the box beside your chosen response.

Yes → Go to question 4
No

3a. Please write below, a brief description of why you cannot provide all the data by the specified return date:

4. Overall, are the guidance notes helpful?

Please write an in the box beside your chosen response.

Yes → Go to question 5
No

4a. Please write below, any suggestions you have to make the guidance notes helpful:

5. If you have any general comments about the PRODCOM questionnaire please write them below:

Thank you for taking the time to complete this questionnaire.

Please return the questionnaire in the prepaid envelope by 1st March 2007

ANNEX H

RESPONDENTS' VIEWS

Only 17% of respondents experienced difficulty in providing value data, and 21% of respondents stated that they found it difficult to provide volume data.

Two thirds of respondents stated that they had problems in providing data by the specified return date.

70% of respondents reported that they found the guidance notes helpful.

GENERAL COMMENTS FROM RESPONDENTS

Respondents with an accounting year ending on 31 March find it difficult to assemble their data on a calendar year basis. They would also prefer to receive their PRODCOM questionnaires after 31 March.

Small businesses may be able to obtain the figures but they would find it very time consuming. They may also rely on a complicated report mechanism to collect the PRODCOM data.

Some small businesses think that surveys should only be sent to companies with a large turnover.

Some PRODCOM respondents were unhappy about being selected consistently year after year.

Some respondents see the PRODCOM Survey as 'red tape'. They view ONS questionnaires as a distraction preventing the company from getting on with its business.

Manufacturers of bespoke products have no fixed product range data for the PRODCOM survey. Their products are so diverse that separation of the data for PRODCOM would be an impossible task. It can be difficult classifying products that aren't specifically covered by the codes. They may also fabricate products and so do not have a specific product.

Certain respondents find it difficult to work out value of sales when their data include the cost of installation.

Small businesses can wait up to 7 months for audited accounts to return from their auditors. They have genuine problems in compiling the information in line with the PRODCOM deadline.

Some respondents do not understand the CN Codes and other terms used in the PRODCOM survey.

ANNEX I

SUMMARY OF RESPONSE

Response to the respondents' survey has been acceptable. As shown in the table below, 102 of the 200 review questionnaires (51%) were completed and returned.

RESPONDENTS' QUESTIONNAIRE

Employment Size band	Number of respondents sampled	Number of questionnaires returned	Response Rate
A (0 to 9 employment)	15	6	40.0%
B (10 to 19 Employment)	43	19	44.2%
C (20 to 49 Employment)	64	41	64.1%
D (50 to 99 Employment)	34	16	47.1%
E (100+ Employment)	44	20	45.5%
TOTAL	200	102	51.0%

ANNEX J

COMPLAINTS

Definitions

Complaint - Any communication of censure or criticism about ONS that requires a substantive response should be recorded as a complaint. The communication may be from any body or person outside of ONS, except from other government departments or agencies and may be written or verbal. The response would typically require some investigation, for example of selection and response history, and may be written or verbal.

Grumble/Grievance - A grievance (quick grumble) may appear as a comment written on a questionnaire or a remark passed during a telephone conversation. It will usually concern one particular survey and relate, for example, to the time spent completing the questionnaire. A grievance is usually curtailed within the validation branch and will generally not require any further action.

Minister's case - A complaint/query where a respondent makes, or copies, that complaint/query to their MP or a minister.

QUARTERLY PRODCOM COMPLAINTS 2001 - 2006

DATE	COMPLAINT	GRUMBLE	MC	TOTAL
2001/01	11	0	0	11
2001/02	2	0	0	2
2001/03	1	0	0	1
2001/04	7	0	0	7
2001/05	10	1	0	11
2001/06	6	0	0	6
2001/07	12	0	0	12
2001/08	14	0	0	14
2001/09	3	0	0	3
2001/10	9	0	0	9
2001/11	4	0	0	4
2001/12	3	0	0	3
TOTAL	82	1	0	83
2002/01	16	0	0	16
2002/02	1	0	0	1
2002/03	1	0	0	1
2002/04	10	0	0	10
2002/05	1	0	0	1
2002/06	1	0	0	1
2002/07	9	0	0	9
2002/08	8	1	0	9
2002/09	2	0	0	2
2002/10	1	1	0	2

2002/11	1	0	0	1
2002/12	0	0	0	0
TOTAL	51	2	0	53
2003/01	9	2	0	11
2003/02	3	0	0	3
2003/03	1	0	0	1
2003/04	8	0	0	8
2003/05	0	0	0	0
2003/06	4	2	0	6
2003/07	3	0	0	3
2003/08	1	2	0	3
2003/09	0	2	0	2
2003/10	4	3	0	7
2003/11	5	3	0	8
2003/12	0	0	0	0
TOTAL	38	14	0	52

DATE	COMPLAINT	GRUMBLE	MC	TOTAL
2004/01	0	1	0	1
2004/02	1	3	0	4
2004/03	0	0	0	0
2004/04	3	3	0	6
2004/05	1	5	0	6
2004/06	0	2	0	2
2004/07	2	4	0	6
2004/08	1	5	0	6
2004/09	0	0	0	0
2004/10	1	3	0	4
2004/11	0	5	0	5
2004/12	0	1	0	1
TOTAL	9	32	0	41
2005/01	1	0	0	1
2005/02	0	3	0	3
2005/03	0	2	0	2
2005/04	0	0	0	0
2005/05	0	0	0	0
2005/06	0	0	0	0
2005/07	0	0	0	0
2005/08	0	0	0	0
2005/09	0	0	0	0
2005/10	0	0	0	0
2005/11	0	0	0	0
2005/12	0	0	0	0
TOTAL	1	5	0	6
2006/01	0	0	0	0

2006/02	0	0	0	0
2006/03	0	0	0	0
2006/04	0	0	0	0
2006/05	0	0	0	0
2006/06	0	0	0	0
2006/07	0	0	0	0
2006/08	0	0	0	0
2006/09	0	0	0	0
2006/10	0	0	0	0
2006/11	0	0	0	0
2006/12	0	0	0	0
TOTAL	0	0	0	0

ANNUAL PRODCOM COMPLAINTS 2001 - 2006

DATE	COMPLAINT	GRUMBLE	MC	TOTAL
2001/01	109	1	0	110
2001/02	72	1	0	73
2001/03	9	0	0	9
2001/04	9	2	0	11
2001/05	11	0	0	11
2001/06	11	0	0	11
2001/07	3	0	0	3
2001/08	5	0	0	5
2001/09	0	0	0	0
2001/10	1	0	0	1
2001/11	1	0	0	1
2001/12	1	0	0	1
TOTAL	232	4	0	236
2002/01	47	1	0	48
2002/02	40	1	0	41
2002/03	8	0	0	8
2002/04	6	0	0	6
2002/05	5	0	0	5
2002/06	4	0	0	4
2002/07	5	0	0	5
2002/08	1	0	0	1
2002/09	0	0	0	0
2002/10	0	0	0	0
2002/11	1	0	0	1
2002/12	0	0	0	0

TOTAL	117	2	0	119
2003/01	68	5	0	73
2003/02	20	2	0	22
2003/03	14	2	0	16
2003/04	11	3	0	14
2003/05	6	2	0	8
2003/06	6	0	0	6
2003/07	1	0	0	1
2003/08	1	2	0	3
2003/09	0	0	0	0
2003/10	0	0	0	0
2003/11	0	1	0	1
2003/12	0	0	0	0
TOTAL	127	17	0	144

DATE	COMPLAINT	GRUMBLE	MC	TOTAL
2004/01	13	62	0	75
2004/02	8	10	0	18
2004/03	12	13	0	25
2004/04	5	8	0	13
2004/05	5	9	0	14
2004/06	5	11	0	16
2004/07	6	3	0	9
2004/08	1	0	0	1
2004/09	1	0	0	1
2004/10	0	0	0	0
2004/11	0	0	0	0
2004/12	0	0	0	0
TOTAL	56	116	0	172
2005/01	16	28	0	44
2005/02	7	21	0	28
2005/03	4	14	0	18
2005/04	1	6	0	7
2005/05	2	4	0	6
2005/06	0	6	0	6
2005/07	1	0	0	1
2005/08	1	1	0	2
2005/09	0	0	2	2
2005/10	1	0	0	1
2005/11	0	0	0	0
2005/12	0	0	0	0
TOTAL	33	80	2	115

2006/01	9	27	0	36
2006/02	6	15	1	22
2006/03	10	13	0	23
2006/04	7	3	0	10
2006/05	3	5	0	8
2006/06	1	2	0	3
2006/07	2	0	0	2
2006/08	0	0	0	0
2006/09	0	0	0	0
2006/10	0	0	0	0
2006/11	0	0	0	0
2006/12	0	0	0	0
TOTAL	38	65	1	104