

## **BACKGROUND NOTES**

### **BASIC QUALITY INFORMATION**

#### **1. Key Issues specific to this release**

There are no key issues to report that relate to the 2007 annual PRODCOM series. For general issues regarding the interpreting of data, please see the 'Common pitfalls in interpreting the series' section.

#### **2. Link to Summary Quality Report**

A Summary Quality Report for PRODCOM can be found at <http://www.ons.gov.uk/about-statistics/methodology-and-quality/quality/qual-info-economic-social-and-bus-stats/quality-reports-for-business-statistics/index.html>. This report describes, in detail, the intended uses of the statistics presented in this publication, their general quality and the methods used to produce them.

#### **Relevance to users**

**3.** 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 approximately 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.

**4.** The reports contain estimates of sales for UK based manufacturers of individual products covered by the PRODCOM survey, and most contain imports and exports estimates supplied by Her Majesty's Revenue and Customs (HMRC). 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

**5.** 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.

**6.** The 2007 annual PRODCOM series has been produced in two formats. A provisional file of PRODCOM 2007 estimates, in Microsoft Excel format, was released in July 2008 which has subsequently been replaced by a final version in December 2008. This format was as a result of the PRODCOM Quinquennial Review that was published in June 2007 where users expressed a preference towards Excel. PRODCOM Annual Industry Reports for 2007 have also been produced and these contain finalised results which replace provisional estimates.

#### **Common pitfalls in interpreting series**

**7.** PRODCOM is a survey of 'Manufacturer Sales' which is used as a proxy for production. It is therefore an indirect measure of UK production.

**8.** Intra and Extra EU Import and Export data is that of HMRC and is not collected by ONS. It is included within the PRODCOM reports for the benefit of demonstrating UK Net Supply only.

## Accuracy

### 9. Response Rate:

Response rate (%)	Response rate for key contributors (%)
80	88

The response rate is the total number of returned PRODCOM questionnaires divided by the total sample population (those that were sent questionnaires), expressed as a percentage. A key contributor contributes greater than 20 % of the grossed product total in a single period; or as an average over the latest two periods.

### 10. Editing Rate:

Editing rate (%)
6

The editing rate is the ratio of the total number of completed questions on returned questionnaires that failed the PRODCOM validation process divided by the total number of completed questions, expressed as a percentage. Questions that fail the validation process are edited before being included in the final results.

### 11. Imputation Rate:

Imputation rate (%)
33

Imputation is where missing or unusable values (identified through the validation process) are substituted with a best estimate. Imputation occurs by either adjusting the previous year's values or by using values for businesses within the same stratum.

### 12. Standard Error:

Standard error estimates are published alongside every Annual Industry Report on the National Statistics website and can be found in their accompanying quality measures documents. Standard errors are published for the majority of product value estimates unless the figures are disclosive. Annual Industry Reports and their accompanying quality measures documents can be found at

[http://www.statistics.gov.uk/onlineproducts/PRODCOM2007\\_annual.asp](http://www.statistics.gov.uk/onlineproducts/PRODCOM2007_annual.asp)

## Reliability (Revisions)

13. One indication of the reliability of the key data in this release can be obtained by monitoring the size of revisions. PRODCOM revises the figures it publishes for previous years based on the data it receives in the current reporting year.

Revisions between first publication and estimates twelve months later (%)	
Average over the last three years	Average over the last three years without regard to sign (average absolute revision)
0.4	0.87

The table above indicates the size of revisions to total sales figures that have occurred to data published in one year, to the same data published the year before, over a three year period. Small revisions relative to the published data indicate a high level of reliability; large revisions relative to the published data indicate that the data should be treated with caution.

### **Coherence**

**14.** Data collected by the Annual minerals raised inquiry (AMRI) on mineral extraction are used in the PRODCOM survey to avoid duplication.

**15.** Intra and Extra EU Import and Export data are supplied externally by HMRC.

### **Notes on tables**

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

### **17. 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

### **PUBLICATION POLICY**

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