

**What is PRODCOM?**

PRODCOM stands for the PRODUcts of the European COMMunity Inquiry. It is a survey of manufactured products governed by an EU Regulation (3924/91). The product definitions are standardised across the EU to give comparability between member states' data and the production of European aggregates at product level. Data on both value (sales) and volume (units) are collected.

PRODCOM covers some 4,500 products in the UK. They are assigned to approximately 250 industries as defined by the 2003 Standard Industrial Classification [SIC(2003)] (CSO, 1992). The products are defined in the PRODCOM List which is updated annually by Eurostat. Around 22,000 businesses are surveyed annually.

The survey results compare manufacturers' sales with exports and imports. Under the Harmonised System (the Harmonised Commodity Description and Coding System, a worldwide reference for classifications of external trade statistics and for customs tariffs), each product is defined by one or more headings of the Combined Nomenclature (CN). The CN is the European Union's classification of goods, and is used by EU member states to collect trade data through their Customs procedures. This means that the manufactured sales of products can be matched with the trade statistics measuring the flow of goods into and out of each member state. This enables the derivation of the net supply to the market at an individual product level.

As analogous surveys are run by other EU member states European aggregates of product sales can be derived.

**Uses of PRODCOM Data**

PRODCOM data provide industry, business and researchers with a powerful tool for market analysis. By combining them with the overseas trade statistics, users can derive various other statistics for example shares of exports, the net supply to the market and unit prices for production, imports and exports - all at the product level.

PRODCOM data also have various uses within Government. The Department of Trade & Industry (DTI) use the data to monitor industrial activity at the macro and micro-economic level. Within the Office for National Statistics (ONS) PRODCOM data are used in the construction of the Producer Price Index (PPI), which measures the movement in the price of a fixed basket of goods bought and sold by UK manufacturers. The PRODCOM data indicates the relative importance of each product for weighting the index. PRODCOM data also play an important role in the process of reconciling the income, expenditure and output components of Gross Domestic Product (GDP), providing estimates of domestic supply.

At European level, the PRODCOM system enables the size of the Community market to be known. It can provide valuable information for industrial and trade policy negotiations.

**Minimising burden on suppliers**

Given the vast number of variables being surveyed, the UK developed the concept of a personalised questionnaire for businesses selected for the survey. The business is only asked to provide data for those products which it is known to manufacture. Although the results of PRODCOM surveys cover businesses of all sizes, the ONS is particularly conscious of the load that providing information can impose on the smallest businesses. It puts effort into sampling for these businesses and ensuring that no more than necessary are selected.

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 firms. Rotation of the sampled firms takes place every survey period. Small firms of size 0-9 employment are guaranteed a survey holiday of three years after they have been selected for the inquiry.

**For further information about PRODCOM data contact:-****PRODCOM Publications Enquiry Point on:-****Tel : 01633 813065****E-mail: [prodcompublishations@ons.gov.uk](mailto:prodcompublishations@ons.gov.uk)**

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## **References**

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