

# Index of Production (IoP)

Contact:

Release date:  
7 July 2016

Next release:  
To be announced

## Table of contents

1. [Overview](#)
2. [Improvements](#)
3. [Methods](#)

# 1 . Overview

The monthly IoP provides a timely indicator of growth in the output of production industries at constant prices for the UK. The IoP is a key economic indicator and one of the earliest short-term measures of economic activity. It is a key component of the output approach to measuring gross domestic product (GDP(O)), representing 14.6% of UK GDP as of 2013. The IoP shares the exact same industry coverage as the corresponding quarterly series within GDP(O).

In 2014 the IoP was reassessed (first review took place in 2010) by the UK Statistics Authority as part of its ongoing review to ensure that Official Statistics comply with the Code of Practice for Official Statistics, see the full 2014 and 2010 reports for details.

## 2 . Improvements

This section details the improvements made to index of production (IoP).

Further details of improvements being made to IoP as part of the GDP(O) improvement programme can be found under the ["Improvements" section on the GDP\(O\) methodology](#) page.

[Summary of IoP improvements from October 2011](#)

### Industry reviews

The industry review programme plays a significant part in the GDP(O) improvement project; the initial industry review programme was in place from 2002 to 2009. It played a significant role in moving the experimental index of services (IoS) to designated National Statistics status in 2007. In March 2012, the industry review programme was relaunched following a break in the programme for ONS to focus on other [methodological improvements](#) (158.6 Kb Pdf) .

The approach for the new programme follows that adopted for the 2002 to 2009 programme, but the scope of industries has expanded to cover the whole economy. Individual industries are identified for review using a number of factors. Further details on these factors can be found in the latest GDP(O) improvement report which can be found under "industry reviews" on the [GDP\(O\) methodology](#) page. The methodology of each industry is then evaluated and improved where appropriate. The industry review reports describe in detail the approach taken and any recommendations. As reviews are completed, the full reports will be available on the [GDP\(O\) methodology page](#). Reviews completed prior to 2016 are available on the [national archived page](#).

## 3 . Methods

This section contains details on the current methods used in the IoP. The IoP is estimated using the same data sources and national accounts methodology as the quarterly estimate of the well-established output approach to measuring gross domestic product (GDP(O)). Information on the improvements to the IoP can be found under "improvements" on the [GDP\(O\) methodology page](#). An overview of the IoP can be found in the report "[A guide to the IoP](#)". The latest quality and methodology information (QMI) for the IoP can be found in the [QMI paper](#) (247.9 Kb Pdf) .

Information on the scope of the IoP and the production industries that IoP covers, can be found in the "[Scope and industry breakdown](#)" report.

Full details on the data sources and weights used to calculate the Index of Production (IoP), Index of Services (IoS) and output approach to measuring GDP (GDP(O)) can be found in the [GDP\(O\) Source Catalogue](#).

Details on the users and uses of the IoP and other short-term economic indicators can be found in the "[Users and uses of short-term economic indicators](#)" (47 Kb Pdf) report.

An overview of the four types of weights used in the calculation of the IoP, IoS and GDP(O), including a summary table, can be found in the "[Overview of weights](#)" (27.6 Kb Pdf) document.

Details of the aggregation of low level industries, including detailed information on the weights, how they are derived and applied, can be found in the "[Low-level industry aggregation](#)" (88.6 Kb Pdf) report.

Information on the concept of deflation, how deflation weights are derived and applied to IoP, IoS and GDP(O) can be found in the "[Deflation](#)" (163.5 Kb Pdf) report.

Details on how the IoP weights are derived can be found in the "[Derivation of weights for the IoP](#)" (18.3 Kb Pdf) report.

Details of how the IoP is revised, the revisions cycle, short and long-term revisions and revisions triangle can be found in the "[IoP revisions](#)" (35.1 Kb Pdf) report.

Information on the quality of IoP can be found on the "[Economy quality and methodology](#)" page and details on the quality of main source of turnover data in the IoP, the monthly business survey, can be found on the "[Business and energy quality and methodology](#)" page.

## **Pre-2011 methods**

In 2011, significant changes to the national accounts were introduced, including new industrial and product classifications (standard industrial classification 2007 (SIC07) and classification of product by activity 2008 (CPA08) respectively) and improved methods of deflation. Further information can be found in "Methods changes in the 2011 Blue Book" (46.8 Kb Pdf) article. Articles and methods papers prior to 2011 can be found below:

[Methodology for the IoP](#) (400.2 Kb Pdf)

[Impact of methodological changes to the IoP](#) (174.3 Kb Pdf)

[Measures of accuracy for the IoP](#) (207.3 Kb Pdf)

[Planned methodological changes to the IoP](#) (143.8 Kb Pdf)