Scope and Industry Breakdown of the Index of Production

The monthly United Kingdom (UK) <u>Index of Production (IoP)</u> provides a timely indicator of growth in the output of the production industries at constant prices. The IoP is a key economic indicator and one of the earliest short-term measures of economic activity and shares exactly the same industry coverage as the corresponding quarterly series within <u>UK gross domestic product (GDP)</u>. The primary purpose of the IoP is to produce a short-term measure of the output of the production industries within the UK economy and show the monthly movements in the gross value added (GVA) of the production industries (<u>2007 Standard Industrial Classification (SIC 2007) sections B to E</u>), please see table 1.1. GVA is defined as 'total outputs minus total inputs'.

The production industries accounted for 14.6% of the UK GDP in 2013. The main output is a seasonally adjusted estimate of total production and broad sector groupings of mining and quarrying; manufacturing (the largest component of production); electricity, gas, steam & air conditioning; and water, sewerage, waste management & remediation activities. In general, seasonally adjusted output estimates are available down to the level used within national accounts supply and use tables (SUTs). Output estimates use a wide variety of data from a number of sources and are calculated by taking value estimates and adjusting them to remove the impact of price changes (this is known as deflation) or by using direct volume estimates, for example the volume of oil and gas extracted. The total IoP estimate and various breakdowns are widely used in private and public sector institutions, particularly the Bank of England and Her Majesty's Treasury, to assist in informing policy and decision making. The IoP estimates are disseminated via the ONS website in a statistical bulletin, corresponding reference tables and time series dataset.

Table 1.1: Standard Industrial Classification 2007 of Index of Production Industries.

SIC	DESCRIPTION
B+C+D+E	Total production industries
В	Mining and quarrying
С	Manufacturing industries
D	Gas and electric
Е	Water supply and sewerage
B5	Mining of coal and lignite
B6	Extraction of crude petroleum and natural gas
B7/8	Other mining and quarrying
В9	Mining support service activities
CA	Manufacture of food products, beverages and tobacco

10.1	Most and most products
	Meat and meat products
10.2-3	Processing and preserving of fish, fruit & vegetables
10.4	Vegetable and animal oils and fats
10.5	Dairy products
10.6	Grain mill products, starches and starch products
10.7	Bakery and farinaceous products
10.8	Other food products
10.9	Prepared animal feeds
11.1-6	Alcoholic beverages
11.7	Soft drinks, mineral waters and bottled water
12	Tobacco products
СВ	Manufacture of textiles, wearing apparel and leather products
13	Textiles
14	Wearing apparel
15	Leather and related products
СС	Manufacture of wood and paper products and printing
16	Wood and wood products except furniture
17	Paper and paper products
18	Printing and reproduction of recorded media
CD	Manufacture of coke and refined petroleum products
19	Coke and refined petroleum products
CE	Manufacture of chemicals and chemical products
20A	Industrial gases, inorganics and fertilisers
20B	Petrochemicals
20C	Dyestuffs and agro-chemicals
20.3	Paints, varnishes and similar coatings

20.4	Soap, detergents and cleaning products
20.5	Other chemical products
CF	Manufacture of basic pharmaceutical products and pharmaceutical preparations
21	
21	Basic pharmaceutical products and preparations
CG	Manufacture of rubber and plastics products, and other non-metallic mineral products
22	Rubber and plastic products
23Other	Glass, refractory, clay and stone products
23.5-6	Cement, lime, plaster and articles of concrete
СН	Manufacture of basic metals and metal products
24.1-3	Basic iron and steel
24.4-5	Other basic metals and castings
25Other	Fabricated metal products, excluding weapons and ammunition
25.4	Weapons and ammunition
CI	Manufacture of computer, electronic and optical products
26	Computer, electronic and optical products
CJ	Manufacture of electrical equipment
27	Electrical equipment
СК	Manufacture of machinery and equipment n.e.c
28	Machinery & equipment n.e.c
CL	Manufacture of transport equipment
29	Motor vehicles, trailers and semi trailers
30.1	Building of ships and boats
30.3	Air and spacecraft and related machinery
30Other	Other transport equipment

СМ	Other manufacturing and repair
31	Furniture
32	Other manufacturing
33.15	Repair and maintenance of ships and boats
33.16	Repair and maintenance of aircraft and spacecraft
33Other	Other repair and installation
D 35.1	Electric power generation, transmission and distribution
D 35.2-3	Manufacture of gas; distribution of gaseous fuels through mains; steam and aircon supply
E 36	Water collection, treatment and supply
E 37	Sewerage
E 38	Waste collection, treatment and disposal activities; materials recovery
E 39	Remediation activities and other waste management services