

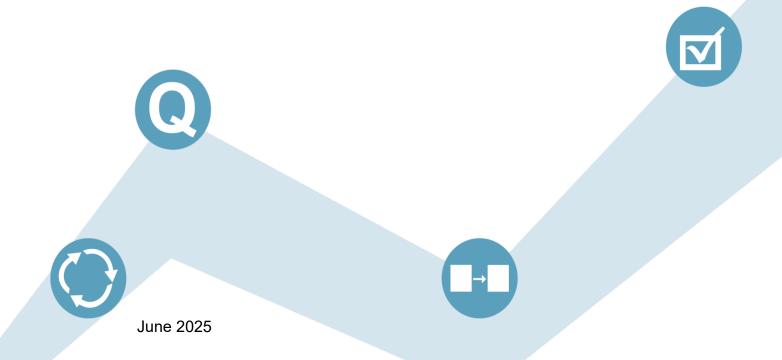
METHODOLOGICAL EXPLANATION

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INDUSTRIAL PRODUCTION

This methodological explanation relates to the data releases:

- Production and sold production of industrial products and services, annual (First Release)
- Production and sold production of industrial products and services, detailed data, annual (Electronic Release)



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1 PURPOSE

The purpose of publishing data on production and sold production of industrial products and services is to show production of industrial products in volume and sold production of industrial products and services in volume and value.

2 LEGAL FRAMEWORK

- Annual Programme of Statistical Surveys (LPSR) (only in Slovene)
- National Statistics Act (OJ RS, No. 45/95 and 9/01)
- Regulation (EU) 2019/2152 of the European Parliament and of the Council of 27 November 2019 on European business statistics, repealing 10 legal acts in the field of business statistics (CELEX: 32019R2152)
- Commission implementing regulation (EU) 2020/1197 of 30 July 2020 laying down technical specifications and arrangements pursuant to Regulation (EU) 2019/2152 of the European Parliament and of the Council on European business statistics repealing 10 legal acts in the field of business statistics (CELEX: 32020R1197)
- Commission Implementing Regulation (EU) 2022/2552 of 12 December 2022 laying down the technical specifications of data requirements for the detailed topic industrial production statistics establishing the industrial products classification breakdown, pursuant to Regulation (EU) 2019/2152 of the European Parliament and of the Council and amending Commission Implementing Regulation (EU) 2020/1197, as regards the coverage of the product classification (CELEX: 32022R2552)

3 UNIT DESCRIBED BY THE PUBLISHED DATA

The unit described by the published data is an industrial product typical of a specific observed activity and produced in the process of regular or service production. Such product is intended for sale or further processing. Typical industrial products are defined in Nomenclature of industrial products (NIP) - national version of PRODCOM List, valid for the reference year.

The unit described by the published data is an industrial service typical of a specific observed activity, which is part of the production process, but in this process the product does not change its original format. Industrial services cover treatment, repairs and maintenance, and assembly work. Typical industrial services are defined with specific codes in Nomenclature of industrial products (NIP) - national version of PRODCOM List, valid for the reference year.

4 SELECTION OF OBSERVATION UNIT

Observation unit is any business entity or only part of it (enterprise, company, sole proprietor, business unit) or a branch of a foreign company.

Typical industrial products and services are observed within the following sections according to the Standard Classification of Activities (SKD 2008): Mining and quarrying (B) and Manufacturing (C) and class 38.32 Recovery of sorted materials. From section Mining and quarrying (B) divisions 05 Mining of coal and lignite, 06 Extraction of crude petroleum and 09 Mining support service activities are excluded.

Typical industrial services are determined by individual codes from Nomenclature of industrial products (NIP) within individual sections of SKD 2008: 10 Manufacture of food products, 13 Manufacture of textiles, 16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials, 18 Printing and reproduction of recorded media, 25 Manufacture of fabricated metal products, except machinery and equipment, 30 Repair and installation of machinery and equipment.

The survey covers all enterprises and establishments with 20 or more persons in paid employment and exceptionally some smaller enterprises. Selected units were determined by census over a cut off. There are around 3,000 units in the survey.

SOURCES AND METHODS OF DATA COLLECTION

Data are collected annually.

The data are collected via web (a web application for electronic reporting of data to the Statistical Office of the Republic of Slovenia) with the guestionnaire Industrial production IND/L. The electronic questionnaire is available in February.

Data for the survey are not obtained from administrative sources.

DEFINITIONS

Production of industrial products means the quantity of products (including industrial services) produced in the territory of Slovenia by the enterprise units settled in the territory of Slovenia, in the observed year, irrespective of whether the products are intended for sale, further production or stocks. Data on production include capitalized production and products given to the employees in kind. Products are made either from the producer's own material (production on own account) or from the principal's material, when the production is carried out by a sub-contractor under sub-contracted operations (service production).

Production under sub-contracted operations (or service production) is the quantity of products produced in the territory of Slovenia by an enterprise established in the territory of Slovenia in the reference year under a subcontracting relationship. A sub-contractor carries out the production where the raw materials and products are owned by the principal.

The value of the production of subcontractors contains values equal to the fee received by the enterprise as a subcontractor established in the territory of Slovenia for the production of products made from the principal's raw materials and sold to the principal under the subcontracting relationship.

Sold production in value of industrial products and services is the invoiced value of the ex-works selling price which includes also packaging costs even if they are charged separately, compensations and subsidies which refer to produced and sold quantities or values of products and services. Data on sales value include capitalized production and the value of products given to the employees in kind. However, the sales value does not include the value added tax, similar deductible taxes and duties, separately charged transport costs or discounts granted to customers. The data on sold production in value include values of the sold production produced on own account (including industrial services).

Sold production in quantity of products is the volume of individual products sold in the observed year, irrespective of whether products were produced in the observed year or before (sale of stocks). Data on sales volume include capitalized production and the volume of products given to the employees in kind. The data on sold production in quantity include quantities of the sold production produced on own account (including industrial services) and is expressed in the unit of measurement prescribed in the NIP classification.

Until 2021, sold production in value and sold production in quantity include values and quantities of the sold products produced on own account (including industrial services) and the value and the quantities of the products produced from the principal's materials under the subcontracting relationship. The value of the products produced from the principal's materials under the subcontracting relationship was equal to the market value of the products.

7 EXPLANATIONS

7.1 CLASSIFICATIONS

Data are collected and published based on the Nomenclature of Industrial Products (NIP), which is the Slovene version of the European PRODCOM List. NIP is published on our website: <u>Classifications and Code Lists: Economic Classifications</u>.

Some of the data are published also based on the Classification of Products by Activity (CPA), which is also published on our website under Economic Classifications.

7.2 DATA PROCESSING

DATA EDITING

Data were edited with the combination of systematic corrections, individual corrections and imputation procedures. The following imputation methods were used: logical imputations, mean imputations, hot-deck imputations, historical imputations.

For more, see the general methodological explanations <u>Data editing</u>.

WEIGHTING

Weighting was not performed.

SEASONAL ADJUSTMENT

Seasonal adjustment was not performed.

7.3 INDICES

Indices are not published.

7.4 PRECISION

The survey is not conducted on the basis of a random sample.

7.5 OTHER EXPLANATIONS

Data that are statistically protected to respect the confidentiality of reporting units are replaced with the letter »z«.

8 PUBLISHING

- SiStat Database: <u>Industry Production and turnover in industry Annual production for industrial products and services.</u> Absolute data are published to the level of CPA groups and according to NIP codes.
- First Release (Industry, Production and Turnover in Industry): »Production and sold production of industrial products and services, annual«

- Electronic Release (Industry, Production and Turnover in Industry):
 »Production and sold production of industrial products and services, detailed data, annual«
- EUROSTAT (Statistical Office of the European Union)
- United Nations (UN)
- The Organisation for Economic Co-operation and Development (OECD)
- National Minerals Information Center (United States Geological Survey USGS)

9 REVISION OF THE DATA

9.1 PUBLISHING OF PRELIMINARY AND FINAL DATA

Provisional data are published no later than at the end of June for the previous year. Final data are based on more complete answers about the phenomenon and analyses are published at the end of September for the previous year at the latest.

Publishing of provisional and final data is planned. Due to the needs of users for timely information, provisional data are published that meet the criteria of the quality of official statistical data, but do not meet the quality that can be met with complete coverage. Data are revised when recent, more complete and better quality data can significantly contribute to the quality of data-based decision-making.

9.2 FACTORS INFLUENCING COMPARABILITY OVER TIME

Until 1994, the basis for data on industrial production and sales was the National Classification of Activities (EKD). Since 1994 the data have been collected according to the Nomenclature of Industrial Products (NIP), which changes over the years. There is no correspondence table between EKD and NIP. There is only a correspondence between the 6-digit EKD code and the 2-digit SKD code. There is also no correspondence between NIP95 and NIP97.

In 2005, the PRODCOM methodology was changed, therefore enterprises registered according to the 2002 Standard Classification of Activities in section E - Electricity, gas and water supply and subsection CA - Mining and quarrying of energy producing materials of section C - Mining and quarrying and subsection DF - Manufacture of coke, refined petroleum products and nuclear fuel of section D – Manufacturing, are no longer covered. According to the 2008 Standard Classification of Activities these enterprises are registered in section D – Electricity, gas, steam and air conditioning supply and divisions 05 - Mining of coal and lignite, 06 - Extraction of crude petroleum and natural gas and 09 - Mining support service activities of section B - Mining and quarrying. In 2021, for the first time, the survey covered enterprises classified under class 38.32 Recovery of sorted materials.

The method of monitoring the value of sold production in the case of production under sub-contracted operations was also changed. Before 2005 the value of sold production under sub-contracted operations was evaluated as the value paid by the principal for the service performed (a fee), and from 2005 on as the market value of the product, i.e. the value that the product would achieve on the market.

In 2021, the method of monitoring the value of sold production in the case of production under sub-contracted operations was changed; the value of sold production under sub-contracted operations is again evaluated as the value paid by the principal for the service performed (a fee). In addition, according to the new methodology, the value of payments received for subcontracted production is shown separately from the value of sales of products produced from own materials and the value of industrial services rendered. From 2021 on, the data on sold production for those products where subcontracted production is carried out are no longer comparable to the data before 2021.

Changes in methodology have led to a 4% increase in the value of sold production under sub-contracted operations at the level of the whole industry in 2005 and a decrease of around the same amount in 2021, while at lower levels the share fluctuates depending on the share of subcontracted production in each industry.

From 2021 on, only sales of manufactured goods and industrial services is included in the data on the quantity of goods sold and services provided. Therefore, the quantitative data on sales of industrial products from 2021 on are no longer comparable with those before 2021 for those products where service production takes place.

10 OTHER METHODOLOGICAL MATERIALS

Methodological materials on SURS's website are available at https://www.stat.si/statweb/en/Methods/QuestionnairesMethodologicalExplanationsQualityReports.

- Questionnaire (only in Slovene):
 - Industrijska proizvodnja (IND/L)

Theme: Industry, Sub-theme: Production and Turnover in Industry

- Quality report for the survey:
 - Industrial production (IND/L)

Theme: Industry, Sub-theme: Production and Turnover in Industry

 Reference Metadata in Euro SDMX Metadata Structure: (ESMS): PRODCOM_ESMS_A http://ec.europa.eu/eurostat/cache/metadata/EN/prom esms si.htm