

Industrial sales and orders statistics (Base year 1995, -2002)

0 Administrative Information about the Statistical Product

0.1 Name

*Industrial sales and orders statistics
(Base year 1995, -2002)*

0.2 Subject Area

Manufacturing industry

0.3 Responsible Authority, Office, Person, etc.

Manufacturing and Construction

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0.4 Purpose and History

The main purpose of the monthly industrial sales and order statistics is to provide up-to date short-term information on the business cycle.

The statistics were established in 1974 and form part of the harmonised European Union system of short-term business statistics.

The time series in the statistics presented with base year 1995 ends in December 2002 and are replaced by statistics presented in base year 2000, which is changed for a number of characteristics. For further details please see the declaration of contents for "Industrial production and new orders statistics (Base year 2000, 1985-)"

0.5 Users and Application

The main users of the sales and orders statistics are various industry confederations, the financial sector, politicians, public authorities, private organisations and the news media. The indicators are used for business cycle analysis in industry. The information on new orders received can be used as an early indicator for turnover. For such analysis the statistics also provide specific information regarding the domestic market and the export market.

0.6 Sources

The main source for the sales and orders statistics is a questionnaire-based survey.

Source for the grossing up procedure is the quarterly data on turnover in *varestatistik for industri* (manufacturers' sales of commodities).

Monthly industrial output price indices are calculated by use of a subset of series in the *engrosprisindeks* (wholesale price index).

The Central Business Register forms the basis for the up-date and revision of the sample of enterprises.

0.7 Legal Authority to Collect Data

The Act on Statistics Denmark.

0.8 Response burden

3.9 man-years in 2002.

0.9 EU Regulation

Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics.

The Regulation replaces Directive 72/211/EEC of 1972.

Latest update

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1 Contents

1.1 Description of Contents

The statistics give a monthly description of industrial turnover, new orders received and stocks of orders, by domestic market and by export market. Furthermore, they include monthly output price indices and monthly indices for turnover in volume (quantity indices).

The statistics were established in 1974 and form part of the harmonised European Union system of short-term business statistics.

1.2 Statistical Concepts

The basic information is collected from a representative sample of enterprises employing at least 20 persons. The information is grossed-up to represent the full-scale population of enterprises employing at least 20 persons. The sample is based on Kind of Activity Units (KAU's) as the observation units. A KAU is a group of local units with identical activity code belonging to the same enterprise.

Turnover, new orders received and stocks of orders are valued in current prices. Defined as invoiced values excluding value added tax and indirect taxes, but including subsidies such as e.g. price subsidies from FEOGA in Brussels. Invoiced rebates are deducted.

Turnover includes sales of manufactured goods, hours worked to third parties and mounting, installations and repairs. Sales of goods purchased for resale in the same condition as received is not included. Neither is secondary income such as e.g. sales of know-how and leases for own production units and machines if used by third parties.

Domestic turnover is defined as deliveries to recipients in Danish Customs area and the drilling platforms in The North Sea. Export turnover is defined as deliveries to recipients outside the Danish Customs area and the Faroe Islands and Greenland.

New orders received are the total of the sales or invoice values calculated in advance by the enterprises for orders, which have come in during the month, including incoming orders, which are filled immediately. Any orders cancelled during the month are deducted from the current month's figures. If the stocks of orders are re-valued upwards or downwards it is recorded as an increase respectively a decrease in new the orders received. If enterprises fill all orders directly from stock, or where production is on a day-to-day basis, turnover and new orders received follow each other in terms of time and thus also in terms of amounts.

Stock of orders is the total of the sales or invoice values calculated in advance for all unfilled orders at the end of the month. If all orders are filled directly from stock without delay, stocks of orders are recorded as 0 (zero). Where turnover is lagging new orders received by less than a month often a constant stock of orders is recorded.

The purpose of the *output price index* is to show the trend in industrial sales prices. In practise it covers mainly domestic prices. The primary sources are the monthly *engrosprisindeks* (wholesale price index) and the quarterly *varestatistik for industri* (manufacturers' sales of commodities). Prices are defined excluding VAT and indirect taxes, but including price subsidies. There are no prices available for shipbuilding and the aggregate index excludes this activity.

The *turnover in volume index* shows the trend in industrial turnover measured in fixed prices. It is calculated deflating current turnover by the output price index. For shipbuilding the calculation is based on hours worked instead.

The variables are published in the form of indices. For turnover, new orders received and stock of orders as value indices with base in average monthly values in the base year (1995). For stock of orders though it is the value end of December in the base year. Output price indices and turnover volume indices are Laspeyre indices, the weights being respectively domestic turnover and value added in the base year. Normally, there is a change of the base year every 5th year.

Data is published for 29 industry groupings covering manufacturing and mining and quarrying (excluding extraction of crude petroleum and natural gas). The industry grouping is based on the harmonised 4-digit classification of economic activities of The European Union (NACE Revision 1) and is chosen so that the statistics describe the most important sectors in Danish industry. Also data is grouped according to the main use of the output, *capital goods, durable consumers goods, non-durable consumers goods and intermediate goods*.

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2 Time

2.1 Reference Period

Turnover and new orders received are flows of sales or invoiced values during the month.

Stock of orders is the stock of unfilled orders by the end of the month.

Prices are recorded at the 25th of the month.

2.2 Date of Publication

Data is collected by questionnaires 10 days after the end of the month and the statistics published around 35-40 days after the end of the month.

2.3 Punctuality

The statistics are published monthly.

The statistics are usually published without delay in relation to the scheduled date. The release date for the next month is published in *Nyt fra Danmarks Statistik* (News from Statistics Denmark) and also a three-month release calendar is part of the IMF DSBB system.

2.4 Frequency

Monthly.

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3 Accuracy

3.1 Overall accuracy

No precise quantitative measure has been calculated regarding the overall accuracy, cf. 3.2.

The survey is based on a sample of enterprises. Reporting is mandatory in respect to the Act on Statistics Denmark. The response rate is very close to 100 percent.

3.2 Sources of inaccuracy

The basic information is collected from a representative sample of enterprises employing at least 20 persons. The information is grossed-up to represent the full-scale population of enterprises employing at least 20 persons.

The sample is stratified by activity (approximately 70) and size class (4). Enterprises employing at least 200 persons in industry activities, approximately 350, are surveyed exhaustively. A sample is drawn for units employing between 20 and 199 persons. Enterprises employing fewer persons in the size classes 100-199, 50-99 and 20-49 are progressively less likely to be included in the

sample, but the percentages for each strata also depends on the structure of the industrial branch. The percentage varies between 20 and 60. 1300 enterprises are surveyed, which represents a universe of 3000 enterprises with at least 20 persons employed. The sample covers about 85 percent of the turnover in this universe.

The grossing up is based on the latest completed total quarterly returns showing industrial sales of own goods and services (*varestatistik for industri*) covering enterprises with a minimum of 20 persons employed. The ratio of the total reported turnover value for own goods and services within a given stratum to the corresponding value of the sample gives the grossing-up factor for the stratum. The same grossing up factors are used for the calculation of the turnover, new orders received and stock of orders and also for the calculation of both the domestic and the non-domestic values.

The collected information is subject to various practical and computerised editing. The practical editing is primarily related to the formal content of the information in the questionnaire, e.g. changes in the name or adress of the enterprise. The computerised part of the editing contains a number of logical and plausibility checks. There is a specific internal plausibility check regarding turnover, new orders and stocks of orders: $\text{Stock of orders (end of month } t-1) + \text{new orders received (month } t) - \text{cancelled orders (month } t) - \text{turnover (month } t) = \text{Stock of orders (end of month } t)$.

The timeliness of the statistics implies that not all enterprises have reported figures by the time of the first publication. To compensate for non-replies imputation technique is used. The estimation is done by using growth rates of the known average of a given industry multiplied with the value of the previous month. When results are first published, the response rate is normally around 95%. In 2002 it was 97.8%.

One month later a major part of the imputed values are replaced by reported data and revised results are published. One month later only a negligible number of imputed values are left. The questionnaire is furthermore constructed in a way, which gives the participating enterprises the option to revise the reported figures for the two preceding months. As a principal rule, final figures are published two months following the current month.

3.3 Measures on accuracy

The statistical uncertainty is not calculatedo measures drawn up for the statistical accuracy.

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4 Comparability

4.1 Comparability over Time

The survey was established in 1974. Until December 1993 results were published according to the UN classification of economic activities, ISIC Revision 2. From January 1994 Dansk Branchekode 1993 (DB93), which is based on the EU classification NACE Revision 1, was implemented. Coherent retrospective time series in this classification are available from January 1985.

From January 1999 the reference year has been changed so that the indices are based on values and weights for 1995. Indices in the new base year have been calculated back to 1995. Furthermore, series adjusted for the break has been calculated back to January 1985 by means of a simple correction of the index level in the series published in base year 1990.

Operation of dairies and cheese making (activity code 1551) is included in the statistics in connection with this change of base year to 1995. The information is included in the industry group Manufacturing of dairy products. Manufacturing of ice cream only appears as a separate industry group up until December 1994.

The cut-off limit of 20 persons employed was introduced with the implementation of base year 1985 and is used from January 1985 onwards. Before 1985 the cut-off limit was 6 persons employed.

The results are also published as seasonally adjusted index series. The seasonal adjustment procedures are run by X-11 in the latest version from Statistics Canada. Except for operation of dairies and cheese making the adjustment is based on detailed index series in DB93 back to 1985.

4.2 Comparability with other Statistics

Considering differences in statistical concepts turnover is comparable with various other sources in business statistics, notably turnover by activity in *varestatistik for industri* (quarterly), turnover statistics (VAT) in *omsætningsstatistik* (moms) (quarterly), foreign trade statistics in *udenrigshandel* (monthly) and accounts statistics in *regnskabsstatistik* (annual).

Furthermore, the output price index is comparable with the wholesale price index for national products in *engrosprisindeks*. *Engrosprisindeks* is published for main groupings of products.

The statistics comply with recommendations set up by UN, OECD and EU. The turnover volume index deviates from a production index as calculated in most other Member States of the European Union primarily by not taking into account possible changes in stocks.

4.3 Coherence between provisional and final statistics

The output price index is final in the first publication of results. For the other variables the difference between provisional figures and final figures is normally less than 1 percent. In some cases, however, revisions to information formerly reported by enterprises may lead to differences larger than that.

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5 Accessibility

5.1 Forms of dissemination

Nyt fra Danmarks Statistik (News from Statistics Denmark), *Konjunkturstatistik* (Main indicators), *Industristatistik* (Manufacturing Industry) in *Statistiske Efterretninger* (Statistical News) and *Danmarks Statistikbank* (Statbank Denmark). Annual publications: *Statistisk årbog* (Statistical Yearbook) and *Statistisk tiårsoversigt* (Statistical Ten-Year Review).

5.2 Basic material: Storage and usability

The basic information in the survey is stored at the level of statistical unit (KAU) and in a statistics register (grossed-up values by activity)

The following information is stored at statistical unit level:

- Identification no. (KAU)
- Enterprise identification no.
- Enterprise employment
- Local units
- Address information
- Activity code
- Grossing up activity code
- Grossing-up size class
- Grossing-up factor
- Month
- Year
- Turnover, domestic*
- Turnover, export*
- New orders received, domestic *
- New orders received, export*

Stock of orders, domestic*
 Stock of orders, export*

Information marked with * is stored in three versions: provisional, revised and final figures.

The stored information at this level is used for internal purposes in Statistics Denmark notably annual statistics on the response burden and for confrontation with other statistical sources.

In the statistics register (approximately 70 activity groupings):

Activity group
 Year
 Month
 Turnover, domestic*
 Base value, -
 Turnover, export*
 Base value, -
 New orders received, domestic*
 Base value, -
 New orders received, export*
 Base value, -
 Stock of orders, domestic*
 Base value, -
 Stock of orders, export*
 Base value, -
 Turnover volume index*
 Weights, turnover volume index
 Value added in base year
 Output price index
 Weights, output price index

Information marked with * is grossed-up values. They are stored in three versions: provisional, revised and final figures.

The information stored in the statistics register is primarily used in relation to the calculations made when a change in the base year is implemented. Only to a very limited extent they are used for alternative activity groupings than those published. The extent is defined taking into account the rules regarding confidentiality.

5.3 Documentation

There is a full written documentation. Information is included in TIMES.

5.4 Other Information

Industristatistik (Manufacturing Industry) in *Statistiske Efterretninger* (Statistical News), 1999:11. Includes a description of the methodology.

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