

**Documentation of statistics for  
Industry Survey 2021**

## **1 Introduction**

The monthly tendency survey provides a quick and up-to-date overview of actual conditions and expectations within the manufacturing industries. The survey was established in 4th quarter of 1963 and is directly connected to and defined by the Business and Consumer Survey joint harmonized program as managed by the Directorate-Generale for Economic and Financial Affairs (DG ECFIN), European Commission.

## **2 Statistical presentation**

The Tendency survey for manufacturing industries is a qualitative assessment on past three month's developments and next three month's expected developments . The survey assesses developments within production, employment, stock of orders, stock of finished products, capacity utilization, investment plans, limits to production, and others. As of October 2021 the investment plans of the industry has been included in the tendency survey.

## 2.1 Data description

The monthly tendency survey provides a quick and up-to-date overview of actual conditions and expectations within the manufacturing industries.

The survey was established in 4th quarter of 1963. The survey is directly connected to and defined by the Business and Consumer Survey joint harmonized program as managed by the Directorate-Generale for Economic and Financial Affairs (DG ECFIN), European Commission. Within same programme is also carried out monthly tendency surveys on Retail Trade, Construction, Services and Consumer expectations as well as the biannual survey on Manufacturing Industry Investments.

The survey is a qualitative assessment on developments over the past three months and expected developments over the next three month, based on various variables: **production, employment, new orders, new export orders, competitive position on domestic market, competitive position on foreign market, selling prices, current overall order books, current export order books, current stock of finished products, current stock of raw materials, production capacity, capacity utilization, production assured by current overall order books (in month) and limits to production.**

Prior to July 2021 a question on *investment plans* was included but has been removed as the general investment plans questionnaire now is incorporated in the tendency survey.

The variables marked in **bold** are posed each month in the [monthly questionnaire](#) while the others in *italic* are only posed the first month of each quarter (January, April, July and October) in an [extended questionnaire](#).

The questionnaire is divided in sections.

In first section is asked about the development over the past 3 month regarding **production, employment, new orders, new export orders, competitive position on domestic market, competitive position on foreign market, and selling prices.** For each question there are three answer options: Decrease/deteriorate; Remain unchanged; Increase/improve.

In second section is asked similar about the expected development over the next three month, including the survey month, regarding the same above mentioned indicators.

In third section is asked about **current overall orderbooks, current export orderbooks, current stock of finished products, current stock of raw materials, production capacity, investment plans, capacity utilization** (in percentage), *production assured by current overall orderbooks (in month) and limits to production.* For questions on stock is optionally ticked: *Too small; Adequate; Too large or No stock.* For questions on orderbooks is optionally ticked: *not sufficient; sufficient or more than sufficient.* Limits to production is assessed by ticking one or more options: *insufficient demand; shortage of labour force; shortage of material and/or equipment; financial constraints; other factors* or by ticking *no limitations.*

In the forth section which is only included in April and October is asked about investment plans. In April the questions are for both current year and last year concerning *Overall investment, Machinery and equipment, Land, building and infrastructure and Intangibles.* The answers can be *Increased, Remain unchanged, and Decreased.* In October the questions are for both current year and next year concerning *Overall investment* as above, and also the purpose of investments this year and next year. Here a selection of four options are available where one or more can be ticked off: *Replacement, Extensions, Rationalization and Other.* Furthermore is a question regarding the conditions influencing the investments with four options for ticking off as above: *Demand, Financial resources or expected profit, Technical factors and Other factors.*

## 2.2 Classification system

The industries in the survey is defined by [DBo7](#), which is the Danish industrial classification system similar to the international NACE rev. 2 system.

## 2.3 Sector coverage

The target population includes enterprises within main group *C Manufacturing* and also *B Mining and quarrying*

## 2.4 Statistical concepts and definitions

**Industry:** The line of businesses that manufactures goods. The Business Tendency Survey also comprises Mining and quarrying, however excluded oil and gas extraction.

**Business Tendency Survey:** Business Tendency Survey. Compared to traditional statistical surveys, which only cover one or a few related variables from one area of the economy, business surveys collect information about a wide range of variables selected for their ability, when analysed together, to give an overall picture of a sector of the economy. The surveys include questions such as the volume of production, order books, order inflow, stocks of finished goods, exports, employment and prices. The range of information covered by business surveys also goes beyond variables normally captured by classical statistics. Qualitative information may be collected for variables, which are difficult or impossible to measure by conventional methods such as: capacity utilisation, production bottlenecks and views on the overall economic situation.

**Confidence Indicator:** An indicator for the present position in the business cycle. The marked economy evolves in cycles between boom, decrease, recession and upswing.

**Composite Confidence Indicator:** Composite indicators are calculated as the simple arithmetic average of the (seasonally adjusted if possible) balances of answers to specific questions chosen from the full set of questions in the survey. In the case of Retail Trade survey the composite indicator reflects the average of the three indicators on Sales over the past three month, the present Volume of stock and Sales expectations over the next three months.

**Balance:** Balances are the difference between positive and negative answering options, measured as percentage points of total answers. In particular, if a question has three alternative options, "positive" ("up", "more", "more than sufficient", "good", "too large", "increase", "improve", etc.), "neutral" ("unchanged", "as much", "sufficient", "satisfactory", "adequate", etc.) and "negative" ("down", "less", "not sufficient", "too small", "decline", etc.), and if P, E and M (with  $P+E+M=100$ ) denote the percentages of respondents having chosen respectively the option positive, neutral, and negative, the balance is calculated as  $B = P - M$ .

## 2.5 Statistical unit

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, which is identified by "CVR-number" from the Central Business Register (the Danish Administrative Business Register)

## **2.6 Statistical population**

The universe population includes enterprises within main group C Manufacturing, covering industry groups 10 to 33 in Danish classification system DBO7, almost identical to the international NACE rev. 2 system. Also B Mining and quarrying, excluded oil extraction, is covered. The target population consists of about 4700 enterprises with mail activity within manufacturing industries and with 20 or more employees on annual basis.

## **2.7 Reference area**

Denmark.

## **2.8 Time coverage**

2005-

## **2.9 Base period**

Not relevant for these statistics.

## **2.10 Unit of measure**

Percentages, months and Balances.

## **2.11 Reference period**

The reference point is the first day of the survey month. Questions are asked concerning the past three month and the coming three month.

## **2.12 Frequency of dissemination**

Monthly

## **2.13 Legal acts and other agreements**

The survey is voluntary, and therefore not subject to any Danish legal act. The survey is conducted according to agreement with the EU Commission. The legal framework of the survey is "The Joint Harmonized European Union Program on Business and Consumer Surveys" approved by the European Commission on 12 July 2006 COM (206)379.

### **2.14 Cost and burden**

The survey is voluntary, therefore no burden as such. If one decides to participate the questionnaire is supposed to only take a minute to complete.

Enterprises with less than 20 employees are not included in the survey sample.

Joint reporting is accepted if same organization includes several companies representing unique legal units, but within same industry-class.

### **2.15 Comment**

Information about the statistics [here](#). The statistics is part of the The Joint EC Business and Consumer Surveys programme managed by Directorate-Generale for Economic and Financial Affairs (DG ECFIN) please refer to their [Guidelines](#).

## **3 Statistical processing**

Monthly business survey data is collected from a sample of approximately 500 manufacturing enterprises. Data is reported either online at <http://www.VIRK.dk> or in paper questionnaire, and consists of qualitative assessment of changes in net sales, employment, inventories, orders, etc.. The collected data are enumerated from the sample to the total enumeration population (similar to Frame or Survey Population) weighted by employment data, and distributed at industry and enterprise size groupings. If seasonal variation patterns are detected for the indicators that constitute the composite confidence indicator, data is adjusted for this.

### **3.1 Source data**

The statistics is compiled from data collected via questionnaires. The sample is based on information in the Central Business Register.

The survey is carried out with a panel based stratified sample consisting initially of 500 enterprises covering about 1000 local units out of in total about 4700 units with above 20 employees. The 500 enterprises represents about 60 pct. of the total number of full-time employees in selected trades within the included strata. Enterprises with more than 200 employees are all selected. Enterprises with employees ranging from 20 - 199 are selected randomly, but the more employees the higher probability being selected.

Because of drop-out the sample is updated two-three times a year.

The sample is stratified into lines of industries. The industry strata are:

- B Mining and quarrying
- C Manufacturing
- CA Manufacture of food products, beverages and tobacco
- CB Textiles and leather products
- CC Wood and paper products and printing
- CD Oil refinery etc.
- CE Manufacture of chemicals
- CF Pharmaceuticals
- CG Manufacture of plastic, glass and concrete
- CH Basic metals and fabricated metal products
- CI Manufacture of electronic components
- CJ Electrical equipment
- CK Manufacture of machinery
- CL Transport equipment
- CM Manufacture of furniture and other manufacturing
- BC Mining and quarrying and manufacturing. Of this: Capital goods, Intermediate goods, Durable consumer goods, Non-durable consumer goods

### **3.2 Frequency of data collection**

Data is collected each month during the first 2-3 weeks of survey month

### **3.3 Data collection**

Data is collected either by paper questionnaire send to the respondent including postage pre-paid envelope, or by online reporting. In the latter case, respondents receive an e-mail request to log in to the reporting system VIRK, and fill the online questionnaire. Respondents are urged to report online, and if so the respondent the subsequent months only receives an email request about reporting.

Notification letter is send about the 13th in the survey month, with new deadline about the 20th in same month.

Response rate is about 81 pct. on average. Deadline for reporting to the current month's questionnaire is about the 6'th of the month. Here, about two third of the answers have arrived. The rest, one third, arrives within two weeks and are included in the statistics.

Information to the respondents about the statistics is found [here](#) (in Danish).

### **3.4 Data validation**

To fill the questionnaire one has to tick one of three options for each question. This does not call for data validation. The paper questionnaires are scanned automatically, and questionnaires refused in this process is handled manually. Non-response errors are corrected for in the enumeration process. By online reporting the system warns the respondent if a question is not ticked. However in both cases, online reporting or reporting by mail, it is accepted that some questions are left un-ticked.

In the processing, basic data is checked if bigger deviations as compared to last month occurs. Usually the reason is either unidirectional change in assessments by several big companies or missing reporting from some few big companies.



### **3.5 Data compilation**

The enterprises' responses are weighted according to their average number of full-time employees. Within each stratum answers are distributed into percentages answering *increase*, *unchanged* and *decrease* adding up to 100 pct. The group of non-responding enterprises within the stratum is assigned same percentage distribution as the group of responding enterprises (which is considered a imputing method).

Hereafter, the responses are enumerated to the number of full-time employees of the total population, within each industry-grouping.

*Confidence indicator* for a variable is calculated and denominated *balance*. Is is the difference between percentages of enterprises (weighted by number of employees) that have answered *increase* and *decrease* (or *too small* and *too large*). The balance figures do not measure the size of the increase or decrease, but only indicates that an overweight of enterprises expect either increase or decrease.

The *Composite confidence indicator* is the arithmetic average of balance figures for expected *production development*, *current stock of orders* and *current stock of finished products*(calculated with inverted sign). Production development is assessed for the coming 3 month including the survey month. Stock of order books is assessed as by utimo last month. The same for stock of finished products, which parts the average with inverted sign, since e.g. stocks *too large* resulting in a positive percentage value, is considered as negative for the business cycle.

Especially regarding the questions on Production limiting factors, e.g. lack of workforce, the indicators reflects the share of companies that have ticked of the specific questions. The share of companies is weighted according to the average number of full-time employees within the specific companies. Hereafter the result is enumerated to cover the full population within each industry grouping.

### **3.6 Adjustment**

Data is seasonally adjusted, if seasonal pattern is detected, and only for the indicators that constitutes composite confidence indicators.

## **4 Relevance**

Users of the statistics are trade organizations, banks, politicians, public authorities, international organizations, business enterprises and the news media. The results are reflected upon every month in financial and business related news medias.

### **4.1 User Needs**

The statistics is considered a supplement to other short-term statistics relating to this area. Users of the statistics are trade organizations, banks, politicians, public authorities, international organizations, business enterprises and the news media.

### **4.2 User Satisfaction**

There are no measurements of user satisfaction.

### **4.3 Data completeness rate**

The Business Surveys are conducted in partnership with the EU commission, Directorate General Economic and Financial affairs and follows as far as possible the [methodological guidelines](#) provided by them.

All data produced is published, however as a matter of confidentiality some line of business has been aggregated in larger groups.

## **5 Accuracy and reliability**

Sampling error is estimated to plus/minus 1-2 percentage points for the confidence indicators. Non-sampling error occurs in connection to non-responses and drop out of the sample. Especially big companies' non-responses a certain month may influence the development from month to month. Finally, there is measurement error connected to the statistics associated with the respondents level of information and knowledge about the company's current state.

### **5.1 Overall accuracy**

The statistics covers a substantial part of enterprises in the selected industries and is considered as statistically representative. In general, sampling error at plus/minus 1-2 percentage point is expected for the indicators. Non-sampling errors are caused by non-response errors (about 23 pct. non-responses), and especially missing responses from large companies may cause fluctuations from month to month.

Also measurement errors influence the statistics. A senior person in the company is asked to check mark his perception of the developments over the past three months and his expectations for the next three months. Those assessments are associated uncertainty, depending on the respondent's current level of information and knowledge about the current state of the company.

### **5.2 Sampling error**

The survey variables are mostly categorical - with answer options of the type *increase, unchanged* or *decrease*. For each month' statistics is calculated confidence interval with upper and lower values for the three variables constituting the Composite Confidence Indicator. The confidence interval varies from month to month, and depends on the actual number of responses in each answer category. In general, a sampling error at plus/minus 1-2 percentage point is associated the indicators.

### **5.3 Non-sampling error**

There is no systematically checking for errors. By sample update, new enterprises may inform they are not registered in correct business sector and therefore not relevant. Between lines of businesses there may be some over-coverage because of wrong or changed registration.

The tendency surveys are subjects to measurement errors: A senior person in the company is asked to check mark his perception of the developments over the past three months and his expectations for the next three months. The expectations are inherently uncertain. The perception of the development over the past may also be associated uncertainty, depending on the respondent's current level of information.

Several types of non-responses are associated the survey. - There are non-responses because of liquidation or because an active statement about not to participate in the survey. - Then there are unit non-responses, about 23 pct. The respondent stays in the sample but has not responded the current month or responds after ultimate deadline.  
- Item non-responses are few, and is estimated not to exceed the unit-non-response level with more than a couple of percent.

### **5.4 Quality management**

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

### **5.5 Quality assurance**

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

### **5.6 Quality assessment**

The statistics covers a substantial part of enterprises in the selected industries and is considered as statistically representative. The strength of the statistics is that results are published in same months as data is collected and related to. Variations in figures from month to month should be interpreted with caution, since it is not necessarily a development in trend, but rather attributed to the uncertainty of the statistics.

### **5.7 Data revision - policy**

Statistics Denmark revises published figures in accordance with the [Revision Policy for Statistics Denmark](#). The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

## **5.8 Data revision practice**

Only final figures are published in the survey results.

The published figures are not subject to revision but for investments there are four measurements for each year (October the preceding year, April same year, October same year and the final numbers in April the following year). In IFIO1 and IFIO2 only the latest version is shown. In IFIO1R and IFIO2R the revisions are shown so you can see all four estimates of a given year come April the following year.

## **6 Timeliness and punctuality**

The statistics is published last but one working day before the end of the survey month (expect from the December survey published in the beginning of January). The process runs punctual. In April and October the semiannual figures for investment plans are published.

### **6.1 Timeliness and time lag - final results**

The statistics is published last but one working day before the end of the survey month (expect from the December survey published in the beginning of January). The process runs punctual.

### **6.2 Punctuality**

The process runs punctual with no delays.

## **7 Comparability**

The statistics is carried out in collaboration with the EU-commission since October 1963. Historical data for Denmark and other European countries is available at the homepage of [\(DG ECFIN\)](#). Historically and geographically comparable analyses are possible to carry out based on this data from the EU-Commission's Business and Consumer Survey Programme.

As of October 2021 the investment plans for the industry is included in the tendency survey and a backcast of the previous figures have been made.

### **7.1 Comparability - geographical**

The statistics is carried out in collaboration with the EU-commission, and the same survey is carried out in other EU-countries. Please refer to [\(DG ECFIN\)](#).

## 7.2 Comparability over time

The individual indicators are comparable over time, however taking the following changes into consideration.

The survey was established in 4th quarter of 1963 based on a method basically developed by the IFO Institute in Munich. In 1980 the survey was adapted to the questions in the existing EC harmonised surveys. Up until 1997 there has been a continuous adaptation to new questions requested by the EC/EU. From 1998 the survey is completely harmonised with the surveys in other EU Member States through a change from quarterly to monthly frequency. In relation to the reorganisation of the survey from quarterly to monthly frequency the size of the sample was cut from around 800 to around 500 enterprises and consequently results from then on presented at somewhat more aggregate levels of the activity classification DB93. At the revised levels of DB93 statistics have been calculated back to 1. Quarter 1990. As from January 2009 the survey is published with the activity classification DB07.

As of Q2 2013 the questionnaire is re-designed, implying drop in responses "no limitations" and increase in responses on various other limitations; To what extent the drop from 1st to 2nd quarter 2013 is caused by the re-design cannot be determined, since also general cyclical movements influence the drop.

As of July 2014 (3rd quarter) some phrasings in the questionnaire have been revised in order to harmonize fully to the [guidelines](#) of DG ECFIN. Previous, questions of this type: "Regarding Production, how was the development the last 3 month (e.g. May-July) as compared to the previous 3 month (e.g. February-April)? please tick either *less*; *unchanged* or *bigger*". Now there are no comparison between two 3-month periods, and instead is asked: "How has your production developed *over* the past 3 month? please tick either *decreased*, *unchanged* or *increased*" The results are believed to be the same, and no data break has been detected. The same change has been made for questions concerning the future development over the next 3 month. No data break is detected.

Furthermore the answer options regarding *Current stock* (of raw material and finished products) has been changed from *less*; *unchanged* or *bigger* to *too small*; *adequate* or *too large*. Furthermore answer options to questions on stock of orders has been changed from *less*; *unchanged* or *bigger* to *not sufficient*, *sufficient* or *more than sufficient*. Here data break has occurred to some extent.

Previously for the investment plans survey the questions were regarding percent change in investments. As of October 2021 the investment plans are now included in the tendency survey and the previous figures have been backcasted in the new tables. The fraction with a percent increase above 0 has been translated to *increasing* in the new format and the fraction with a percent decrease below 0 has been translated to *decreasing*. So the remaining ones stating exactly 0 percent change in investments are now *remain unchanged*. This make it very difficult to compare figures from before 2021 with those after 2020. The old tables are still to be found in the archive under Investment survey for manufacturing industry.

### **7.3 Coherence - cross domain**

The Industry Tendency Survey is a supplement to other short-term statistics. Moreover the survey is comparable with the other Business Tendency Surveys covering Retail trade, Construction and Services.

Weighted together with tendency indicators from the construction survey, services survey, retail trade survey and consumer survey the industry indicators forms the "Tillidsindikator" similar to the Economic Sentiment Indicator published by the EU commission. Also the "Erhvervstillidsindikator" (business sentiment indicator) consisting only of indicators from the businesses is calculated. The figures are published in the [Statbank](#). The EU is describing the methodology here in [user guide](#).

### **7.4 Coherence - internal**

The data set to the survey is consistent.

## **8 Accessibility and clarity**

Results of the surveys are published monthly at [Statistics Denmark](#); Key indicators are published in the newsletter edition [Nyt fra Danmarks Statistik, Konjunkturbarometer for Industri](#) and in English at the homepage [Short term trends](#). Detailed data is available in English version at [Statbank](#); choose English language and look for the tables BARO1-BARO8. Read [here](#) about the statistics. Moreover an analysis of the Business Cycle of the industry - Business Cycle Tracer - is published monthly [here](#).

### **8.1 Release calendar**

The publication date appears in the release calendar. The date is confirmed in the weeks before.

### **8.3 User access**

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published.

### **8.2 Release calendar access**

The Release Calendar can be accessed on our English website: [Release Calendar](#).

### **8.4 News release**

Newsletter [Nyt fra Danmarks Statistik, Konjunkturbarometer for Industri](#) is published monthly.

### **8.5 Publications**

The statistics is not part of any publications from Statistics Denmark.

## 8.6 On-line database

The statistics are published in the StatBank in the following tables:

- [BARO1](#): Trends in industry, quarterly by industry (DBO7), indicator, assessment, progress and time
- [BARO2](#): Assessments in industry, quarterly by industry (DBO7), indicator, assessment and time
- [BARO3](#): Production limitations in industry by industry (DBO7), type and time
- [BARO4](#): Capacity utilisation in industry by industry (DBO7) and time
- [BARO6](#): Trends in industry, monthly by industry (DBO7), indicator, assessment, progress and time
- [BARO7](#): Assessments in Industry, monthly by industry (DBO7), indicator, assessment and time
- [BARO8](#): Confidence indicator for the Industry by indicator, seasonal adjustment and time
- [BARO9](#): Duration of production, in number of months, ensured by current order-book by industry (DBO7) and time

### Manufacturing industries, adjusted for seasonality and break

- [BARO1K](#): Trends in industry, balances, quarterly (seasonally adjusted) by indicator, seasonal adjustment, progress and time
- [BARO2K](#): Assessments in Industry, balances, quarterly (seasonally- and break adjusted) by indicator, seasonal adjustment and time
- [BARO6K](#): Trends in industry, balances, monthly (seasonally adjusted) by indicator, seasonal adjustment, progress and time
- [BARO7K](#): Assessments in Industry, balances, monthly (seasonally- and break adjusted) by indicator, seasonal adjustment and time
- [BARO8K](#): Confidence indicator for the Industry (break adjusted) by indicator, seasonal adjustment and time

### Sentiment indicators for businesses

- [TILLID](#): Sentiment indicators for businesses by indicator and time

### Investment survey for manufacturing industry

- [IFI01](#): Investment survey in manufacturing industries by industry (DBO7) and assessment
- [IFI02](#): Investment survey in manufacturing industries by industry (DBO7), investment Category and assessment
- [IFIB](#): Investment survey in manufacturing industries by industry (DBO7) and influencing conditions
- [IFIF](#): Investment survey in manufacturing industries by industry and purpose
- [IFI01R](#): Investment survey in manufacturing industries by industry (DBO7), calculation (time of collection) and progress
- [IFI02R](#): Investment survey in manufacturing industries by industry (DBO7), calculation (time of collection), investment Category and assessment

## 8.7 Micro-data access

Scientists and analysts have the option to buy detailed micro-data through the [Division of Research Services](#), Statistics Denmark. In this case data will be anonymized in order to ensure enterprises confidentiality.

## **8.8 Other**

Data are sent to and published at the homepage of the EU-commission partner [Directorate General Economic and Financial affairs \(DG ECFIN\)](#) along with similar data from other EU countries.

An analysis of the Business Cycle of the industry - Business Cycle Tracer - is published monthly [here](#).

## **8.9 Confidentiality - policy**

[Data confidentiality policy at Statistics Denmark](#)

## **8.10 Confidentiality - data treatment**

Data is aggregated into wider industry groupings if necessary to ensure confidentiality especially for large enterprises.

## **8.11 Documentation on methodology**

Please refer to the EU-commission partner DG ECFIN's homepage on [methodological guides](#).

The database TIMES4 contains descriptions on the variables of the statistics.

## **8.12 Quality documentation**

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

## **9 Contact**

The administrative placement of these statistics is in the division of Short Term Statistics. The contact person is , tel.: , and e-mail: .