

## 16. INDUSTRY AND ENERGY

### A. INDUSTRY

“Industry” includes a set of enterprises turning out industrial goods and providing industrial services. These enterprises are classified by principal activity according to the Industrial Classification of Economic Activities 10–41. Industry covers only industrial activities of the whole enterprise. Where a business performs more than one activity and industrial business produces industrial goods or provides industrial services falling into several branches (industries), its principal activity is determined by the value added relevant for each activity by using a top-down method under the rules described in methodological part of the Industrial Classification of Economic Activities. The Industrial Classification of Economic Activities – OKEČ (the national version of NACE, also referred to as CZ-NACE) splits industry into three basic sections Mining and quarrying, Manufacturing, and Electricity, gas and water supply, and 17 subsections.

The basic reporting unit of industrial statistics is an enterprise (a legal or natural person having the status of entrepreneur) whose principal activity is classified under codes 10.00 0 to 41.00 2 of the CZ-NACE (OKEČ) in effect from 1 December 1993.

### Notes on tables

#### Tables 16-1, 16-2 and 16-7 to 16-9. Key industry indicators

The data in Tables 16-1 and 16-2 are taken from **quarterly** statistical questionnaires; they are preliminary data relating to a set of enterprises with 20+ employees. Data in Table 16-1, concerning enterprises below 20 employees and not included in the quarterly statistical survey, are estimated. The underlying sources for the estimate were observations on this size group from previous years, information from the Business Register, and development in related size groups included in the quarterly statistical survey. The proportion of enterprises in the size group 0–19 employees differs, depending on the individual indicators, and can be calculated from the data in the table.

Tables 16-7 to 16-9 contain data taken from the processing of annual statistical questionnaires.

**Average registered number of employees** encompasses all categories of permanent, temporary and seasonal employees contracted for work by the employer. The **number of workers (employed persons)** includes registered employees of businesses and entrepreneurs.

**Wages of employees** refer to remuneration for work in cash or kind provided by employers to employees.

**Average monthly gross wage** per employee includes all incomes from employment (direct wages and salaries, personal bonuses, gratuities, shares in economic results, and wage compensation) charged to be paid to registered employees in compliance with regulations on wages and salaries.

**Sales of own goods and services** are revenues from sale of own tangible and intangible output to external users.

**Sales of goods for resale** are revenues from sale of trading goods, i.e. products bought to be resold in an unchanged state.

**Outputs, incl. trade margin** refer to sales of own goods and services, trade margin (the difference between revenues from the goods sold and costs of goods sold), change in inventories of own production, and capitalization of material, goods, services and fixed assets.

**Production consumption** – consumed purchases (value of consumed material and energy) and services (external services, costs of representation, and low-value property not considered by the accounting unit to be fixed assets).

**Book value added** is the difference between outputs, including trade margin, and production consumption.

**Revenues** are the sum of operating, financial and extraordinary revenues of the unit.

**Expenses, total** include operating, financial and extraordinary expenses for the reference period, except accrual-based income tax and transfer of the share in the economic result to partners.

**Economic result** is the difference between total revenues and total expenses in the reference period. It takes the form of profit or loss.

**Profits-to-expenses ratio** is the ratio of all profits for a CZ-NACE (OKEČ) subsection to total expenses.

**Acquisition of fixed assets** refers to total expenses outlaid on the acquisition of fixed assets (by purchase, through own activity, by acquiring the right to the result of own intellectual activity) together with the total value of fixed assets acquired free of charge, by transfer under relevant legislation or by transfer from personal to business use. Things that are put in use become fixed assets. Putting in use implies the provision of all technical functions required for the use and the meeting of all obligations laid down by laws and regulations such as building, environmental, fire, and occupational safety ones.

**Output** of a local activity unit also includes output passed to another local activity unit of the same enterprise.

**Labour productivity index for employees** is calculated as the ratio of the sale-of-own-industrial-goods-and-services index to the number-of-employees index.

#### Tables 16-3 to 16-6. Industrial production index

Industrial production index is one of the principal indicators of business cycle statistics, which, as the first, was transferred from CZ-NACE (OKEČ) to a new CZ-NACE classification in effect from 1 January 2009. Hence, for the year 2008, there exist two time series – completion of time series by OKEČ and new, back calculated time series by CZ-NACE. Taking into account the follow-up of outputs of other statistics whose transition to a new classification have not been finished, tables 16-3 to 16-6 show only data by OKEČ. Recalculated data by CZ-NACE are available on the CZSO website where an impact of the IPP calculation method is explained.

The calculation of IPI by CZ-NACE (OKEČ) for manufacturing (excl. subsection DF, division 23 – Manufacture of coke, refined petroleum products and nuclear fuel) uses constant price indices of revenues from own industrial activity for two-digit divisions. The sub-indices of revenues from own industrial activity of enterprises classified by their principal activity to manufacturing on the level of CZ-NACE two-digit divisions are then weighted by weights corresponding to the shares of these divisions in value added produced in industry in total.

In the cases of section C – Mining and quarrying, subsection DF, and section E – Electricity, gas and water supply, the calculation relies on the weighted arithmetic mean of production indices of selected representatives, using a two-stage weighting system.

The index of industrial production is an indicator of monthly changes in “fixed” value added. This indicator can be calculated for the total and for individual subsections. The fixed value added refers to the approximation of value added, which depends only on changes in the volume of output of selected products classified to the above sections and subsection DF and changes in the composition (by CZ-NACE – OKEČ) of total industrial production, but not on changes in the prices and content of value added in individual industrial products and changes in revenues from own industrial activity of individual enterprises and their groupings to two-digit divisions.

The monthly IPI by CZ-NACE (OKEČ) is related to a single basis, i.e. to the average month of the base year 2000, from which monthly and cumulative year-on-year industrial production indices (IPIs) are derived. Calculated IPIs are aggregated by sections, subsections and divisions and by five Main Industrial Groupings (MIG): energy, intermediate goods, capital goods, durable consumer goods and non-durable consumer goods.

The industrial production index by CZ-NACE (OKEČ) is calculated using the results of statistical surveys in reporting units (enterprises) with 20+ employees and principally engaged in industrial activities, irrespective of legal form.

**Table 16-10. Production of selected goods**

*The production of selected goods includes the entire production of a given item of goods or of an aggregate thereof, as defined by respective code. It is an indicator of gross turnover, which also includes the volume of production passed over within the enterprise for further processing or for inclusion in inventories. The code of the selected product (aggregate) is specified, beginning from the reference year 2008, by the CZ-PRODCOM nomenclature based on the Classification of Products by Activity CZ-CPA.*

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*The data in the tables are fully comparable with those published in previous Statistical Yearbooks.*

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*More detailed information on industry is available in CZSO publications published in accordance with the Catalogue of Publications 2009 in thematic group 8 – INDUSTRY, ENERGY, CONSTRUCTION, subgroup 80 – Industry:*

- 8002-09 “Industry of the Czech Republic – Revised Figures for 2008” (Czech-English) – June 2009*
- 8006-09 “Economic Results of Industry in the Czech Republic 2004–2007” (Czech-English) – June 2009*
- 8009-09 „Průmysl v ČR v mezinárodním kontextu“ – November 2009*

*Further data including recalculated time-series by a new CZ-NACE classification can be found on the website of the Czech Statistical Office at:*

- [http://www.czso.cz/eng/redakce.nsf/i/industry\\_energy\\_ekon](http://www.czso.cz/eng/redakce.nsf/i/industry_energy_ekon)*