

## 15 INDUSTRY

### Methodological notes

The statistics of industry by economic activity includes enterprises principal (prevailing) activity of which is industry, i.e. that which is according to the Classification of Economic Activities (CZ-NACE) included in sections B (Mining and quarrying), C (Manufacturing), D (Electricity, gas, steam and air conditioning supply), and E (Water supply; sewerage, waste management and remediation activities). A more detailed breakdown of the CZ-NACE includes 34 divisions.

All results published in this chapter represent the entire population of industrial enterprises irrespective of their size, unless otherwise stated.

### Notes on Tables

#### Tables 15-1 and 15-2 Industrial production index

The **industrial production index** measures own output of industrial economic activities as well as industry in total adjusted for price effects. It is a basic indicator of the business cycle statistics of industry. When calculating the index, in large part, revenues from sales of own goods and services converted (deflated) to constant prices are used. In the case of selected economic activities, the production volumes of products-representatives are used to characterize the development of the industry (economic activity). The index is primarily calculated as a monthly fixed base index to the average month of the base period, which is currently the year 2015. The calculation starts at the level of the CZ-NACE two-digit divisions. Weights derived from the structure of the value added in the base year are used for higher-level aggregations (up to sections, Main Industrial Groupings, and industry in total). The fixed base indices provide the basis for year-on-year indices and cumulations over time, if any (quarterly, semi-annual, and annual). In compliance with regulations of Eurostat, the industrial production index covers sections B, C, D (excluding 35.3 group) of the CZ-NACE. The index is newly presented in calendar adjusted form, namely in the whole presented time series.

#### Tables 15-3, 15-4, and 15-6 Basic indicators of industry

Data in the Table 15-6 are taken from the processing of **quarterly** statistical forms (reports) of the labour market statistics. These results have to be taken for preliminary as they result from a survey with a limited size of the samples and a higher share of estimates. More detailed information about the survey and the methodology is provided in the Chapter 10 Labour Market. Tables 15-3 and 15-4, on the other hand, contain data taken from the processing of annual statistical forms (reports), which provide a more detailed set of final data that are, however, available with a bigger delay. Along with publishing data for the year 2021, data for 2020 have also been concurrently revised.

The **average registered number of FTE employees** includes persons with employment, service, or membership relation (where the membership also includes an employment contract) to the employer; it is the average registered number of employees (headcount) converted by their hours of work in relation to full-time working hours as determined by the employer.

The **average gross monthly wage per employee** includes all incomes from employment (basic wages and salaries, personal bonuses and other bonuses, rewards, company profit sharing, and wage compensations) charged to be paid to registered employees in compliance with relevant regulations on wages and salaries. It is given for the full-time equivalent (FTE) number of employees.

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

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

**Outputs, incl. trade margin** include 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 capitalisation of material, goods, services, and fixed assets.

**Consumed materials, energy, and services** – consumed purchases (the value of consumed material and energies) and costs of services (external services, costs of representation, and low-value intangible property not considered by the accounting unit to be fixed assets). Before the year 2016, the indicator called “production consumption” corresponded to this indicator as for its contents.

The **value added** is the difference between outputs, including the trade margin, and consumed materials, energy, and services.

The **economic result (profit/loss)** is the difference between total revenues and total expenses in the reference period. This can take the form of either a profit (a positive economic result) or a loss (a negative economic result).

**Values of assets, liabilities, and their components** (in Table 15-3 Assets, total and Equity) show balances on balance sheet accounts as at 31 December. The content of indicators corresponds to the chart of accounts for entrepreneurs.

The **acquisition of fixed assets** refers to total expenses outlaid by reporting units on the acquisition of fixed assets (by purchase, through own activity, by acquisition of intellectual property rights). 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 legal regulations such as building regulations, environmental regulations, fire regulations, occupational safety regulations, and public health regulations (sanitary requirements). The indicator does not include assets acquired free of charge and includes assets acquired for financial leasing.

### **Table 15-5 Production of selected goods**

The production of selected goods includes the whole production of a given item of goods or of an aggregate thereof, as defined by the 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 content of the mentioned selected goods is specified by the CZ-PRODCOM List, which is based on the Classification of Products by Activity (CZ-CPA). Table 15-5 contains aggregates of CZ-PRODCOM codes created for the purposes of the Statistical Yearbook of the Czech Republic. The following is the data source: a specific annual survey, which only includes enterprises the principal (prevailing) activity of which is industry with 20+ employees or with significant annual turnover, small industrial units with a significant share in production of specific goods, and selected non-industrial enterprises with a significant share of industrial activity. Data for the most recent period are always preliminary.

In compliance with new legal regulations providing for European standards for statistics of industrial goods and services, publication outputs of statistics of industrial goods and services of the Czech Republic have been modified. The main change in the contents is that production made within the production carried out under sub-contracted operations (also called contract processing) has been consistently included in published outputs, namely starting with data for the year 2021, without recalculating historical time series. Although this specific supplier-customer regime (way) of production has been gaining importance worldwide recently, within total results for selected goods it is in absolute majority of cases a minority form of production and the comparability of data in the time series has not been broken. As for goods having an important proportion of newly included production carried out under sub-contracted operations – resulting from which is that data for 2021 significantly differ from the data for the previous years – there is a note <sup>1)</sup> added to the figure for 2021.

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Further information can be found on the website of the Czech Statistical Office at:

– [www.czso.cz/csu/czso/industry\\_energy\\_ekon](http://www.czso.cz/csu/czso/industry_energy_ekon)