

## 15. INDUSTRY

Branch statistics of industry includes enterprises principal activity of which is industry, i.e. that which is according to the CZ-NACE classification 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.

The introduction of the new Classification of Economic Activities CZ-NACE (the national version of the NACE Rev. 2), which replaced the former Industrial Classification of Economic Activities OKEČ (the national version of the NACE Rev. 1.1) results not only in a different breakdown of individual activities within the industry, but also determination of the scope of activities defined as industrial. One of the most significant changes is the shift of publishing activities out of the industry and, on the contrary, inclusion of activities related to sewerage, waste management and remediation activities. Thus, the contents of the term industry in this chapter does not correspond to those of previous issues of the Statistical Yearbook of the CR.

The first reference period for the processing of data according to the new CZ-NACE classification was January 2009 in the case of the short-term (monthly and quarterly) statistics or the year 2008 in the case of the structural (annual) statistics. The basic data according to the new CZ-NACE classification were recalculated back to the year 2000 (for the short-term statistics) or to 2005 (for the structural statistics). Within the recalculation, imputation models used for the first time administrative data from the Ministry of Finance of the CR and other institutions in a larger extent. At the same time, some misclassifications were corrected backwards. The recalculation thus cannot be interpreted as a mere transfer of the existing data from one classification to the other; it has to be understood as a complex revision, which aims to enhance data quality in the recalculated time series.

During the data processing according to the CZ-NACE for most indicators and their basic breakdown a new system of estimations for the non-surveyed part of the population has been created, also for the short-term statistics, which up to now covered the population of enterprises starting from a certain size threshold. Thus, where not explicitly stated otherwise, all results published in this chapter represent the entire population of industrial enterprises regardless their size.

### Notes on Tables

Tables 15-1, 15-2, 15-5, and 15-6. **Basic indicators of industry**

The data in Tables 15-1 and 15-2 are taken from **quarterly** statistical questionnaires with the exception of the industrial production index. These results have to be taken for preliminary as they result from a survey with a limited size of the samples, a higher share of estimates, and a limited scope of surveyed indicators. Tables 15-5 and 15-6, on the other hand, contain data taken from the processing of annual statistical questionnaires, which provide a more detailed set of final data that are, however, available with a bigger delay.

The **average registered number of employees** encompasses all categories of permanent, seasonal, and temporary employees contracted for work by the employer. The **number of persons employed** includes besides registered employees also persons working under various contracts for work and working owners of enterprises and co-operating household members providing that work for the given enterprise is their main job.

The **average monthly gross wage** per employee includes all incomes from employment (direct wages and salaries, personal bonuses and other bonuses, company profit sharing, and wage compensations) 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 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 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 intangible property not considered by the accounting unit to be fixed assets).

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

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

**Values of assets, liabilities, and their components** (in Table 15-5 Assets, total and Equity) show positions 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 acquiring of 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 legal regulations such as building, environmental, fire, occupational safety, and sanitary ones.

Data in Tables 15-5 and 15-6 result from a backward recalculation of structural data for 2005–2007, which was not finished by the deadline of the Statistical Yearbook of the CR, because the process is demanding both as for time and methodology. Results shown in the tables are thus only preliminary and can be further revised.

#### Tables 15-3 and 15-4. **Industrial production index**

The **industrial production index (IPI)** measures own output of industrial economic activities as well as industry in total adjusted for price effects. It is a basic indicator of the industrial short-term statistics. When calculating the index, in a large part, revenues from sale of own goods and services deflated to constant prices are used. In the case of selected economic activities (the CZ-NACE divisions 05, 06, 19, and 35) the production volumes of products-representatives are used to characterize the development of the industry. The index is primarily calculated as a monthly fixed base index (average month of 2005 = 100), namely 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 accumulations over time, if any (quarterly, semi-annual, and annual accumulations). In compliance with regulations of Eurostat, the industrial production index covers sections B, C, D (excl. 35.3 group) of the CZ-NACE.

#### Table 15-7. **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 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 nomenclature based on the Classification of Products by Activity CZ-CPA. Table 15-7 contains aggregates of CZ-PRODCOM codes created specifically for the purposes of the Statistical Yearbook of the CR. The data source is a specific annual survey, which includes only enterprises the principal activity of which is industry with 20+ employees.

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More detailed information including time series of business cycle indicators can be found on the web page of the Czech Statistical Office at:

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