

Industrial Turnover Indices Industrial New Orders Received Indices Base 2015

Methodological Manual

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Introduction

The Industrial Turnover and Industrial New Orders Received Indices statistical operations began to be compiled as part of the action programme for the Development of the Statistical System on Industry compiled by Eurostat, at first pursuant to (EC) Council Regulation no. 1165/98, of 19 May 1998 regarding short-term statistics. The objective of this Regulation is the creation of a common framework for the production of community statistics regarding the short-term evolution of the economic cycle.

The Industrial Turnover Indices statistics still follow Council Regulation (EC) no. 1158/2005 regarding short-term statistics, amended, among others, by European Parliament and Council Regulation (EC) no. 1158/2005, of 6 July 2005, establishing the compulsory nature for all Member States to compile this statistical operation.

Commission Regulation (EU) no. 461/2012, of 31 May 2012, passes the suppression of the variables for industrial new orders received, and therefore, since its entry into force, the Industrial New Orders Received Indices statistics are no longer compulsory for the different Member States of the European Union. Despite this, this statistical operation remains compulsory on a national level, as it is included in the 2017-2020 National Statistical Plan (Royal Decree 410/2016, of 31 October).

The Industrial Turnover Indices (ITI) have the objective of measuring the evolution of the activity of companies included in the industrial sector in Spain, through their turnover. The Industrial New Orders Received Indices (INORI), in turn, have the objective of measuring the evolution of the activity of companies included in the industrial sector in Spain, through the future demand aimed at the industrial branches. Both the ITI and the INORI are value indicators, in other words, they measure the joint evolution of quantity, quality and price.

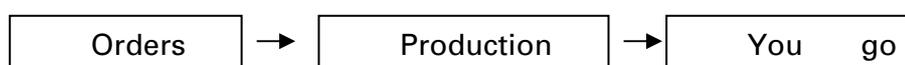
The fact that the new orders received by the companies first lead to production and then to sales, causes the INORIs to constitute an advance indicator of what will occur in the economy on the short term, providing a fairly complete view of the evolution of the industrial short-term on analysing them jointly with the Industrial Production Indices (IPI), with the Industrial Turnover Indices (ITI) and with the Industrial Price Indices (IPRI).

1. Definitions

Conceptually, Turnover is comprised of the invoicing of a company, in monetary terms, due to the sale of industrial goods and services provided to third parties. In turn, New Orders Received is the amount invoiced or to be invoiced for the same reasons, according to those orders that have been received and definitively accepted.

These two indicators, together with the Industrial Production Index, whose objective is to measure the evolution of the volume of production generated by the industrial branches, and which conceptually includes the production actually carried out, constitute three basic short-term industrial indicators.

Thus, the time occurrence of the business activity, as related to the business, may be expressed in the following way:



From this perspective, the INORI may be considered a preview indicator of the IPI, and the latter of the ITI. Given the nature of these statistical indicators, the time evolution of the same refers solely to the products manufactured by domestic industries.

– Industrial Turnover

This corresponds to the value of the invoicing of the establishment, in the reference month, for the sales of industrial goods and provision of industrial services, considering both those carried out by the establishment itself, and those performed through subcontracting with third parties. It therefore includes the income from the sales of finished products, of semi-finished products, of sub-products, of waste and recovered materials, of packages and packaging and of merchandise (goods acquired for resale in the same state as that in which they were acquired), as well as the income from the provision of services related to the normal activity of the establishment.

From the definition of turnover, we exclude VAT and other taxes on the operation, as well as returns on sales. We should also exclude price reductions, sales, and discounts, bearing in mind that those granted to the client after the sale, for example, at the end of the year, should not be considered. This shall also include those subsidies received from the Public Administrations and Institutions of the European Union.

The value of turnover shall include all those amounts charged to the client (transport, packaging, etc.), even where invoiced separately.

From a practical perspective, the definition is drawn from the accounting definitions used by companies in the General Accounting Plan (GAP), and is completely harmonized with that of the Industrial Companies Survey, and therefore with the ESA-2010 of the National Accounts.

Industrial Orders and New Orders Received

An Order is defined as the value of the agreement, regardless of the form in which it is adopted (verbal, written, etc.), by which the establishment agrees to supply some goods or to provide some industrial services to a third party, they have been performed by the producer or through subcontracting. The order is accepted if, by the judgement of the producer, there is sufficient proof that it is a valid agreement. As the order implies a future sale of goods and services, the headings to be considered in its definition are the same as those of the turnover.

It considers the Industrial New Orders Received to the value of the orders received and accepted accepted by the observation unit during the reference period. The terms Orders Received and New Orders Received are considered to be the equivalent of this document.

– Subcontracting

According to the National Classification of Economic Activities, CNAE-09, the term *subcontracting* refers to the contractual agreement according to which the principle asks the contractor to carry out certain specific tasks, such as part of the production process, or even the entire production process the services related to human resources or certain support services.

The *contractors* that is, those units that carry out an activity for third parties, are classified in general, with the units that produce the current goods and services freelance, except in trade and construction. The term subcontractor is also used.

In the **manufacturing industry**, the principle provides the contractor with the technical specifications for the manufacturing activity to be carried out over the input material. The input material (raw materials or intermediate products) may be provided by (that is, property of), the principle or not.

Classification of the principle and of the contractor

- A principle that completely subcontracts the transformation process must be classified in the manufacturing industry solely if s/he is the owner of the raw material used as input in the production process (and therefore, is also the owner of the final product).
- A principle that subcontracts only part of the transformation process is classified in the manufacturing industry.
- In the remaining cases, the principles must be classified according to the principle of added value: this might be in section G (Wholesale and retail trade; repair of motor vehicles and motorcycles) or in other sections.

In the case of the subcontracting of providing labour, this must distinguish between temporary and permanent subcontracting:

- In temporary subcontracting, the principle is classified based on the activity s/he actually carries out (for example, the manufacturing industry). The contractor is classified in class 78.20 Activities of temporary employment agencies.
- In long-term subcontracting, the principle is classified based on the activity s/he actually carries out (for example, the manufacturing industry). The contractor is classified in class 78.30. Another provision of human resources.

Treatment of subcontracting in turnover

The treatment of subcontracting in turnover is the following: the principle contractor should consider turnover to be that income obtained from the sales of products manufactured by the subcontractor; the subcontractor should include, in its turnover, the amounts invoiced for the services provided under subcontracting.

This treatment therefore produces a dual accounting, as the services provided and the sales of products are considered by both units (principle and subcontractor) in their turnover. This problem cannot be resolved, as it is considered a priority that the surveyed units respond in accordance with the accounting principles, so as to enable responding.

– Treatment of subcontracting in new orders received

The treatment of subcontracting in orders, as that performed for turnover, shall be the following: the principle contractor should consider an order to be that which has the objective of supplying products manufactured by the subcontractor; on the other hand, the subcontractor should consider an order to be the industrial services it is to provide through subcontracting.

As a consequence of this treatment, the same problem of dual accounting arises as that mentioned above for turnover.

2. Survey scope

3.1. Population scope

The population scope of the Industrial Turnover Indices and the Industrial New Orders Received Indices in CNAE-09 is comprised of the units of economic activity whose main activity is included in **sections B "Extractive industries" (except divisions 07 and 09, as they are not relevant in Spanish industry) and C "Manufacturing industry" of CNAE-2009**. Annex 1 presents the listing of industrial activities that comprise the population scope.

3.2. Time scope

The reference period of both indices is monthly.

3.3. Geographical scope

The Indices provide data on a national level and by Autonomous Community, not including Ceuta and Melilla.

3. Framework, information unit and sample

4.1. Survey framework

The framework of the Surveys are the Industrial Products Survey and the Structural Business Statistics: Industrial Sector. For these operations, information is available with data on identification, location, territorial distribution, economic activity of companies and establishments and their turnover.

4.2. Informant unit and information unit

The **information unit** is that for which the information of the statistics is requested. The Council Regulation on short-term statistics (Regulation no. 1165/98) establishes that the basic statistical unit (or information unit) is the economic activity unit. For ITI-INORI, this is defined as that which performs a single activity, on a level to four digits of CNAE-2009, included in sections B and C.

Facing the lack of administrative registers to break down this type of unit, the information unit of the ITI-INORI is the establishment (productive unit located in a place which is topographically delimited (workshop, mine, factory, warehouse, shop, office etc.) from where the economic activities that one or more persons from the same company dedicate their work to are carried out).

The information unit to which the questionnaires are sent may be the establishment itself or the company, so long as the company provides the information broken down for each establishment.

4.3. Sample

For the purpose of making the results of the ITI and the INORI comparable with those of the IPI, and to thus have a joint vision available of the activity of the industrial sector, the sample selected initially for ITI-INORI was the same as that existing at that time in the IPI. Nevertheless, it must be considered that the population scope of the IPI is broader, as it includes companies whose activity is classified in section D of CNAE-09 (Supply of electrical energy, steam and air conditioning).

Moreover, it is important to bear in mind that, although the initial sample of this survey has begun with that of the IPI, differences may have arisen between the two, over time, due to different reasons, such as the case of an establishment that stops manufacturing products included in the basket of products selected in the IPI (in this case, the establishment will have caused a delisting in the IPI, but this needs not have occurred in the sample of the Industrial Turnover and Industrial New Orders Received Indices).

The sample size of the ITI and the INORI is approximately 11,000 establishments.

4. Information collection

The information collection is carried out through the Provincial Delegations and the Central Services of the INE. The collection system is through the completion of a monthly questionnaire by the informant of the establishment.

Respondents may use different means for returning the completed questionnaires (Internet via the IRIA system, electronic questionnaire via e-mail, post or fax).

The following table presents that tasks undertaken in each phase prior to the publication of results, and the periods during which they are carried out.

Task to carry out	Date
Mailing of questionnaires to the informant units	Last week of month t
Arrival of questionnaires at the delegation	As of day 1 of month t+1
Recording and filtering	Continuously from receipt onwards
Receipt of questionnaire at Central Services	For each reference month (t), the Central Services receive three different dispatches, the first near the 15 th day of t+1, the second near the 27 th day of t+1 and the third near the 8 th day of t+2
Selective filtering, calculation of indices	As of the first dispatch received in the Central Services
Publication of results	According to the short-term statistics availability calendar of the INE, approximately 48 days after the reference month

5. Base year and reference years

Council Regulation (EC) no. 1165/98, of 19 May 1998, regarding short-term statistics, amended, among others, by Regulation (EC) no. 1158/2005 of the European Parliament and Council, of 6 July 2005, requires that the indices change base every five years, with the base years being those ending in zero and in five. All indices must adapt to the new base year within a period of three years as of the end of the said new base year.

In the Industrial Turnover and Industrial New Orders Received Indices, the base year (that in which the arithmetic average of the indices of the twelve months is equal to 100) is 2015. The reference period (that regarding which the comparisons are made of the different situations, and which is chosen for the calculation of the basic indices) is January 2015. Lastly, the reference period of the weightings (the period to which the weightings that serve as the system's structure refer) is also 2015.

The Industrial Turnover Indices and Industrial New Orders Received Indices began to be disseminated in base 2015 in March 2018, coinciding with the publication of the data for January 2018.

6. National Classification of Economic Activities. CNAE-09

The European Parliament and Council passed the new classification of economic activities for statistical purposes within the European Union, known as NACE Rev.2, on 20 December 2006, via Regulation (EC) no. 1893/2006. This Regulation also stipulates the use of the new classification in the statistics of the community scope, for the purpose of ensuring the harmonized implementation of the same. Within these statistics we find the short-term statistics, which include the Industrial Turnover and Industrial New Orders Received indices.

The adaptation to the new European classification (NACE Rev.2) and the domestic version of the same (CNAE-2009) caused changes in these indicators. For some activities, the new classification only caused a change in code, and not in content; in other cases, some activities have changed to belong to different branches or sectors.

On 29 May 2008, Commission Regulation (EC) no. 472/2008 was passed, regarding the transfer to NACE Rev.2 of the short-term statistics, where the European guidelines were established for the dissemination of results in the new classification. Pursuant to this Regulation, beginning with reference month January 2009, publication began of the indices in the new classification, CNAE-2009.

7. Formulation of the Indices

Both the Industrial Turnover Indices and the Industrial New Orders Received Indices are value indices, that is, they measure the joint evolution of quantity, quality and price. Unlike what happens with the Industrial Production Indices (IPI) or the Industrial Price Indices (IPRI), these indices are not based on a basket of representative products, but rather, the fundamental variable for their compilation is the main activity of the establishment.

The formula used to calculate the ITI and INORI, base 2015, is the fixed-base Laspeyres formula, in which, each month, the situation of the current month is compared, both in invoicing and in orders received, with the average of the twelve months of the year 2015.

8.1 Basic indices

A basic aggregate is the lowest grouping component for which indices are obtained, and whose calculation entails no weightings. The indices of these aggregates are known as basic indices.

In the Industrial Turnover and Industrial New Orders Received Indices, we calculate a basic index for the crossing of each Autonomous Community with the following divisions (two digits), or set of groups (three digits) of sections B and C of CNAE-09.

Divisions or set of groups	CNAE-2009
- Extraction of anthracite, coal and lignite	05
- Extraction of crude petroleum and natural gas	06
- Extraction of metallic minerals	07
- Other mining and quarrying	08
- Food industries (except grain mill products and animal feeds)	101+102+103+104+ 105+107+108
- Manufacture of grain mill products, starches and starch products, and of animal feeds	106+109
- Manufacture of beverages	11
- Manufacture of tobacco	12
- Preparation and spinning of textile fibres. Manufacture of woven textiles. Textile finishing	131+132+133
- Manufacture of knitted fabrics, carpets, rope, non-woven fabrics, textile products for technical and industrial use and other textile products	139
- Manufacture of garments	14
- Leather and footwear industry	15
- Wood and cork industry; except furniture, basketmaking and wickerwork	16
- Paper industry	17
- Graphic arts and reproduction media	18
- Manufacture of coke and refined petroleum products	19
- Manufacture of cleaning articles, perfumes and cosmetics	204
- Chemical industry except cleaning articles, perfumes and cosmetics	201+202+203+205+ 206
- Manufacture of pharmaceutical products	21
- Manufacture of rubber and plastic products	22
- Manufacture of other non-metallic ore products	23
- Metallurgy, manufacture of iron, steel and ferro-alloy products	24
- Manufacture of metal elements for construction, containers made of metal, steam generators, weapons and ammunition	251+252+253+ 254
- Forging, stamping, embossing and rolling of metals. Manufacture of tools, goods, containers and other metal products	256+257 +259
Manufacture of electronic components, assembled printed circuits, and magnetic and optical media	261+268
Manufacture of computers, peripherals and telecommunications equipment; appliances for measuring and navigation; radiation and electro-medical equipment	262+263+265+ 266
- Manufacture of consumer electronics, optical instruments and photographic equipment	264+267

- Manufacture of household appliances	275
- Manufacture of machinery and equipment, n.e.c.	28
- Manufacture of motor vehicles, trailers and semi-trailers	29
- Naval, railway, aeronautical and spacecraft construction, and manufacture of combat vehicles	301+302+303+ 304
- Manufacture of motorcycles, bicycles, vehicles for disabled persons and other transport material n.e.c.	309
- Manufacture of furniture	31
- Manufacture of jewellery, costume jewellery and musical instruments	321+322
- Manufacture of sporting goods; games and toys and other manufacturing industries n.e.c.	323+324+329
- Manufacture of medical and dental instruments and supplies	325
- Repair and installation of machinery and equipment	33

The basic indices of the ITI and the INORI are calculated according to the following formula:

$${}_{2005}I_i^{mt} = \frac{\sum_j f_{j,i}^{mt}}{\sum_{m=1}^{12} \sum_j f_{j,i}^{m,2005}} \times 100$$

Where:

${}_{2005}I_i^{mt}$ is the index, referring to the year 2015, of basic aggregate i , in the month m of year t

$f_{j,i}^{mt}$ is the value, measured in monetary terms, of the invoicing (or of the new orders received, if it is the INORI) of establishment j , which corresponds to the basic aggregate (crossing the activity with the Autonomous Community) i

$\sum_{m=1}^{12} \sum_j f_{j,i}^{m,2005} / 12$ is the value, in monetary terms, of the average invoicing (or the average value of the new orders, if it is the INORI) from the year 2015, of group of establishments j corresponding to the basic aggregate (crossing the activity with the Autonomous Community) i

It is important to note that, with the base change, new weightings are available for the base year 2015, so that both the indices and the variation rates for the 2015-2017 period will be different from those published using the indices in base 2010. With respect to the 2002-2014 period, the variation rates will remain the same.

In practice, the calculation process of the basic indices should consider the possibility that in the reference month of process there may be

establishments that have been registered and others that have been delisted, since the sample (panel) stays the same throughout time, so as to ensure coverage.

For the purpose of establishing homogeneous time comparisons, the information used in the calculation of the basic index is that provided by the establishments that have collaborated for two consecutive months. Thus, the monthly variation rate of the invoicing or the new orders from the crossing of each activity with each Autonomous Community is calculated with the information of common establishments in the current reference month and the previous month.

Therefore, the basic index is obtained by applying the monthly variation rate of the invoicing (or order received, if dealing with the INORI) of the establishments that have collaborated during the current reference month and the previous month:

$${}_{2005}I_i^{mt} = {}_{2005}I_i^{m-1t} \times \frac{\sum_j f_{j,i}^{mt}}{\sum_j f_{j,i}^{m-1t}}$$

Where:

${}_{2005}I_i^{mt}$ is the index, referring to the year 2015, of basic aggregate i , in month m of year t

${}_{2005}I_i^{m-1t}$ is the index, referring to the year 2015, of basic aggregate i , in month $m-1$ of year t

$f_{j,i}^{mt}$ is the value of invoicing (or of new orders received) in month m of year t of establishment j belonging to basic aggregate i

$f_{j,i}^{m-1t}$ is the value of invoicing (or of new orders received) in month $m-1$ of year t of establishment j belonging to basic aggregate i

8.2 Weights

The weights that are involved in the calculation of the aggregate indices are obtained with the data from the Structural Business Statistics: Industrial Sector. This structural, annual survey has the fundamental objective of providing information that is precise, reliable and opportune, for the different sectors that constitute industrial activity.

The weights of each basic aggregate represent the relation between the value of the invoicing or turnover of the industrial activity/ies that comprise that basic aggregate, and the total of the invoicing of the industries that comprise the population scope of those indices (sections B and C of CNAE-09).

$$W_i = \frac{\text{Turnover of the activities of basic aggregate } i \text{ in the year 2005}}{\text{Total turnover of the extractive and manufacturing industries (Sections B and C), 2005}}$$

Because we do not have annual statistics that provide data regarding new orders received, the weights used to obtain the aggregate indices of the INORI are also calculated as the relation of the value of the invoicing of that basic aggregate over the total invoicing. On the other hand, the fact that the time occurrence of the orders is before that of the sales, and that they are defined based on the same concepts, justifies this choice.

From these weights, we obtain the weights of the different functional aggregates: divisions / subdivisions ¹, sections B and C. Weights are also obtained for the sectors, by economic destination: consumer goods (durable and non-durable consumer goods), capital goods, intermediate goods and energy, and those for the Autonomous Communities and for destination markets. The weight of each functional aggregate, by economic destination or by Autonomous Community or by destination, is obtained as the sum of the weights of the basic aggregates that comprise them:

$$w_A = \sum_{i \in A}^{12} W_i$$

8.3 Aggregate indices

The index, base 2015, of any functional aggregation (divisions/subdivisions, sections B and C and general) or economic sectors by economic destination (durable consumer goods, non-durable consumer goods, capital goods, intermediate goods and energy) or Autonomous Community or destination market, is obtained as the aggregation of the indices of the basic aggregates belonging to said aggregation, with the corresponding weights obtained by using the Industrial Companies Survey (ICS) for the year 2015.

$${}_{2005}I_A^{mt} = \sum_{i \in A} {}_{2005}I_i^{mt} \times {}_{2005}W_i^{CNAE09}$$

Where:

$${}_{2005}I_A^{mt}$$

is the index, referring to the year 2015, of aggregate A, in month m of year t.

$${}_{2005}I_i^{mt}$$

is the index, referring to the year 2015, of basic aggregate *i*, corresponding to aggregation A in month *m* of year *t*.

$$W_i = \frac{\text{Turnover of the activities in CNAE – 09 for basic aggregate in the year 2005}}{\text{Total turnover of the activities in CNAE – 09 for aggregate A in the year 2005}}$$

¹Subdivisions are defined as groups of classes within the same division of the CNAE-2009, in accordance with Regulation No. 656/2007, which can be consulted in Annex II.

8. Industrial Turnover Indices and Industrial New Orders Received indices, adjusted for seasonal and calendar effects

The Industrial Turnover Indices and Industrial New Orders Received Indices are published in base 2015 and adjusted for seasonal and calendar effects.

These indicators were published in base 2005 adjusted for calendar effects, and from the base 2010, they are also published adjusted for seasonal effects.

The seasonal adjustment of these indicators is carried out in accordance with the *INE Standard for adjusting seasonal and calendar effects in short-term series*¹ that is available in INEbase. This standard follows the European Union recommendations contained in the *ESS guidelines on seasonal adjustment*.

The series adjusted for calendar effects and the series adjusted for seasonal and calendar effects are obtained with the JDemetra+ software (version 2.2.0)², from the publication of data in base 2015. JDemetra+ has been officially recommended by Eurostat since February 2015 for performing seasonal and calendar adjustments in the official statistics of the European Union³.

The time series analysis methodology recommends a periodic review of models to incorporate the most current information. This means that the series adjusted for calendar effects and for seasonal and calendar effects are always provisional.

9.1 Indices adjusted for calendar effects

The European Regulation regarding short-term statistics, for the purpose of harmonising all of the indicators compiled by the different European Union countries and achieving the greatest comparability possible, asks that the indices be provided in net terms, that is, eliminating the calendar effect, among others.

The calendar effect is defined as the impact produced in the time series of a variable, due to the different structure that the months (or quarters) present in the different years (in both length and composition), even if the remaining factors influencing said variable remain constant.

The length of the month is not completely absorbed by the seasonal component, since the number of days in February is not the same each year. This non-seasonal part of the component of the length of the month must be eliminated in the series adjusted for the calendar effect.

On the other hand, the composition of the month refers to the variations in Industrial Turnover and in Industrial New Orders Received caused by the different number of public holidays in the same month in different years.

¹ http://www.ine.es/en/clasifi/estandar_efectos_estacionales_en.pdf

² <https://github.com/jdemetra/jdemetra-app/releases/tag/v2.2.0>

³ https://ec.europa.eu/eurostat/cros/system/files/Jdemetra_%20release.pdf

The method used to adjust calendar effects is based on regARIMA models (regression models with stationary ARIMA errors), following the INE Standards and Eurostat recommendations. Particularly, regARIMA models with four centred intervention variables have been used for the calendar effect covering the three following effects:

a) Effect of working days.

The adjustment for the effect of working days has been carried out with the design of an intervention variable based on the characteristics of industry in Spain.

This variable is created, bearing in mind the working calendars as of the year 1991, and is created, following the same structure that appears in the INE standard for the working days regressor. For the purpose of including the entirety of the public holidays, on both national and Autonomous Community levels, the latter are weighted by the weights of each Autonomous Community in the ITI for each activity.

b) Effect of the Easter Holiday.

The intervention variables to cover the effect of the Easter holiday represent the public holidays and working days, respectively, of the Easter holiday.

This has considered that the different Autonomous Communities celebrated either the Thursday before Easter, or Easter Monday, or both, weighting these days according to the weight of each Autonomous Community in the ITI for the activity.

c) Effect of the leap year.

The intervention variable that covers the effect of the leap year distinguishes those months of February that have 29 from the remaining months of February.

9.2 Indices adjusted for seasonal and calendar effects

Once the calendar effects are adjusted, a further step is taken and the indices of seasonal effects are adjusted. Seasonal fluctuations are movements that occur with a similar intensity each month, each quarter or each season of the year, and which are expected to continue occurring.

Seasonally adjusted series, that is, those that are adjusted for seasonal and calendar effects, provide an estimate of what is "new" in a series (change in the trend, the cycle and the irregular component).

The time series analysis methodology recommends a periodical revision of the models, in order to incorporate the most current information. This leads to the series adjusted for calendar and seasonal effects always being provisional.

Annex I

Population scope according to National Classification of Economic Activities CNAE-09

The scope of application of the Industrial Turnover and Industrial New Orders Received Indices are sections B (Extractive Industries) and C (Manufacturing Industry) of CNAE-09.

B. Extractive industries

The extractive, or mining and quarrying, industries include the extraction of minerals occurring naturally: solid (coal and metal ores), liquid (petroleum) or gaseous (natural gas). Extraction can be achieved by different methods, such as underground or surface mining, well operation, seabed mining, etc.

This section includes those supplementary activities intended for preparing the raw materials for their commercialisation, such as breaking, crushing, cleaning, drying, classifying and concentrating minerals, liquifying natural gas and agglomerating solid fuels.

Of the five divisions that comprise section B of the extractive industry, only one not belong to the scope of application of these indicators, as they are not relevant in Spanish industry, division 09 (extractive industry support activities) are not studied.

C. Manufacturing industries

This section includes the physical or chemical transformation of materials, substances or components into new products, even though this condition cannot be considered a universal and sole criterion for its definition. The materials, substances, or components transformed are raw materials that are products of agriculture, livestock rearing, forestry, fishing, mining or quarrying activities or other manufacturing activities. Any substantial alteration, renovation or reconstruction of goods is generally considered to be manufacturing.

The output of a manufacturing process may be finished, if it is ready for use or consumption, or it may be semi-finished, if it is to become an input for further manufacturing.

The manufacture of specialised parts and components of machinery and equipment, and accessories thereof, is generally classified in the same class as the manufacture of the machinery and equipment for which said parts and accessories are intended.

Assembly of the component parts of manufactured products is considered manufacturing. This includes the assembly of manufactured products from either self-produced or purchased components.

The following table presents the divisions of sections B Extractive industries and C Manufacturing industry, which are part of the scope of application of the Industrial Turnover and Industrial New Orders Received Indices.

Population scope according to CNAE-09

B. Mining and quarrying industries

- Division 05 Extraction of anthracite, coal and lignite
 - Division 06 Extraction of crude petroleum and natural gas
 - Division 08 Other mining and quarrying
-

C. Manufacturing industry

- Division 10 Food industry
 - Division 11 Manufacture of beverages
 - Division 12 Manufacture of tobacco
 - Division 13 Textile industry
 - Division 14 Manufacture of garments
 - Division 15 Leather and footwear industry
 - Division 16 Manufacture of wood and of products of wood and cork, except furniture; basketmaking and wickerwork
 - Division 17 Paper industry
 - Division 18 Graphic arts and reproduction of recorded media
 - Division 19 Manufacture of coke and refined petroleum products
 - Division 20 Chemical industry
 - Division 21 Manufacture of pharmaceutical products
 - Division 22 Rubber and plastic material transformation industry
 - Division 23 Manufacture of other non-metallic ore products
 - Division 24 Metallurgy; manufacture of iron, steel and ferro-alloy products
 - Division 25 Manufacture of metal products, except machinery and equipment
 - Division 26 Manufacture of computer, electronic and optical products
 - Division 27 Manufacture of electrical material and equipment
 - Division 28 Manufacture of machinery and equipment n.e.c.
 - Division 29 Manufacture of motor vehicles, trailers and semi-trailers
 - Division 30 Manufacture of other transport material
 - Division 31 Manufacture of furniture
 - Division 32 Other manufacturing industries
 - Division 33 Repair and installation of machinery and equipment
-

Annex II

Classification of the industrial sectors by economic destination of the goods

Regulation no. 1165/98 and subsequent modifications (no. 1158/2005, no. 1893/2006) establish the series that should be calculated by economic destination of the goods.

The definition of industrial sectors by economic destination of the goods, based on NACE Rev.2 (and its domestic version, CNAE-09), is established in Commission Regulation no. 656/2007, of 14 June 2007. Said Regulation modifies the previous Commission Regulation no. 586/2001, which established the industrial sectors by economic destination of the goods, based on NACE Rev. 1 (and its domestic version, CNAE-93).

These Regulations specify the activities, to three digits of CNAE, which comprise each of the industrial sectors by economic destination of the goods: consumer goods (durable and non-durable consumer goods), capital goods, intermediate goods and energy.

However, Regulation no. 586/2001, amended by Commission Regulation (EC) no. 656/2007, authorises Member States to calculate the domestic weights of each activity that comprise the sectors by economic destination, considering the complete divisions or part of them that is part of a same sector by economic destination. In the calculation of the Industrial Turnover or Industrial New Orders Received Indices, this definition is considered in order to obtain the activity groups that enable obtaining the basic aggregates on crossing them with the Autonomous Communities.

The following table presents the composition of each sector, by economic destination, according to the activity groups that enable obtaining the basic aggregates, on crossing them with the Autonomous Communities. Moreover, this includes (on an informative level) those activities to three digits of CNAE-2009 that comprise said activity groups.

Classification of the industrial sectors by economic destination of the goods

CONSUMER GOODS

Durable consumer goods

Manufacture of consumer electronics, optical instruments and photographic equipment

- 264 Manufacture of consumer electronics
- 267 Manufacture of optical instruments and photographic equipment

Manufacture of household appliances

- 275 Manufacture of household appliances

Manufacture of motorcycles, bicycles, vehicles for the disabled and others

- 309 Manufacture of other transport equipment n.e.c.

Manufacture of furniture

- 310 Manufacture of furniture

Manufacture of jewellery, costume jewellery and musical instruments

- 321 Manufacture of jewellery, costume jewellery and the like
- 322 Manufacture of musical instruments

Non-durable consumer goods

Food industries (except grain mill products and food for animals)

- 101 Processing and preserving of meat and production of meat products
- 102 Processing and preserving of fish, crustaceans and molluscs
- 103 Processing and preserving of fruit and vegetables
- 104 Manufacture of vegetable and animal oils and fats
- 105 Operation of dairies and cheese making
- 107 Manufacture of bakery and farinaceous products
- 108 Manufacture of other food products

Manufacture of beverages

- 110 Manufacture of beverages

Manufacture of tobacco

- 120 Manufacture of tobacco

Manufacture of knitted fabrics, rugs, ropes, non-woven fabrics, textile products for technical and industrial use and other textile products

- 139 Manufacture of other textile products

Manufacture of garments

- 141 Manufacture of garments, except fur apparel
- 142 Manufacture of fur articles
- 143 Manufacture of knitted and crocheted garments

Leather and footwear industry

- 151 Tanning and dressing of leather; leather goods, travel and saddlery
saddlery; dressing and dyeing of fur
- 152 Manufacture of footwear

Graphic arts and reproduction of recorded media

- 181 Graphic arts and related services
- 182 Reproduction of recorded media

Manufacture of cleaning articles, perfumes and cosmetics

- 204 Manufacture of soap and detergents, and other cleaning and polishing articles
manufacture of perfumes and cosmetics

Manufacture of pharmaceutical products

- 211 Manufacture of basic pharmaceutical products
- 212 Manufacture of pharmaceutical specialities

Manufacture of sporting goods; games and toys and other industries

- 323 Manufacture of sporting goods
- 324 Manufacture of games and toys
- 329 Manufacturing industries n.e.c.

BI INTERMEDIATE GOODS

Other mining and quarrying

- 081 Extraction of stone, sand and clay
- 089 Mining and quarrying industries n.e.c.

Manufacture of grain mill products, starches, and food for animals

- 106 Manufacture of grain mill products, starches and starch products
- 109 Manufacture of prepared animal feeds

Preparation and spinning of textile fibres. Manufacture of woven textiles. Textile finishings

- 131 Preparation and spinning of textile fibres
- 132 Manufacture of woven textiles
- 133 Textile finishings

Wood and cork industry

- 161 Sawmilling and planing of wood
- 162 Manufacture of products of wood, cork, straw and plaiting materials

Paper industry

- 171 Manufacture of pulp, paper and cardboard
- 172 Manufacture of articles of paper and cardboard

Chemical industry, except cleaning articles, perfumes and cosmetics

- 201 Manufacture of basic chemical products, nitrogen compounds, fertilisers, plastics and synthetic rubber in primary forms
- 202 Manufacture of pesticides and other agro-chemical products
- 203 Manufacture of paints, varnishes and similar coatings; printing inks and mastics
- 205 Manufacture of other chemical products
- 206 Manufacture of man-made and synthetic fibres

Rubber and plastic material transformation industry

- 221 Manufacture of rubber products
- 222 Manufacture of plastic products

Manufacture of other non-metallic ore products

- 231 Manufacture of glass and glass products
- 232 Manufacture of refractory ceramic products
- 233 Manufacture of ceramic products for construction
- 234 Manufacture of other ceramic products
- 235 Manufacture of cement, lime and plaster
- 236 Manufacture of elements made of concrete, cement and plaster
- 237 Stone cutting, working and finishing
- 239 Manufacture of abrasive products and non-metallic mineral products n.e.c.

Metallurgy; manufacture of iron, steel and ferro-alloy products

- 241 Manufacture of basic products in iron, steel and ferro-alloys
- 242 Manufacture of steel tubes, pipes, hollow profiles and accessories
- 243 Manufacture of other products from the primary transformation of steel
- 244 Production of precious metals and other non-ferrous metals
- 245 Casting of metals

forging, stamping, embossing and rolling of metals. Manufacture of tools, hardware goods, packages and other metal products

- 255 Forging, embossing and drawing of metals; powder metallurgy
- 256 Treatment and coating of metals; mechanical engineering by third parties
- 257 Manufacture of cutlery and silverware, tools and hardware
- 259 Manufacture of other metal products

Manufacture of electronic components, assembled printed circuits, and magnetic and optical media

- 261 Manufacture of electronic components and assembled printed circuits
- 268 Manufacture of magnetic and optical media

Manufacture of electrical material and equipment, except household appliances

- 271 Manufacture of engines, generators and electric transformers, and of distribution and electric control appliances
- 272 Manufacture of electric accumulators and batteries
- 273 Manufacture of cables and cable devices
- 274 Manufacture of lighting equipment and electric lamps
- 279 Manufacture of other electrical equipment and material

CAPITAL GOODS

- Manufacture of metal elements for construction, containers made of metal, steam generators, weapons and ammunition

- 251 Manufacture of metal elements for construction
- 252 Manufacture of tanks, reservoirs and containers of metal
- 253 Manufacture of steam generators, except central heating boilers
- 254 Manufacture of weapons and ammunition

Manufacture of computers, peripherals and telecommunications equipment; appliances for measuring and navigation; radiation and medical and therapeutic equipment

- 262 Manufacture of computers and peripherals
- 263 Manufacture of telecommunications equipment
- 265 Manufacture of instruments and appliances for measuring, verification and navigation; manufacture
- 266 Manufacture radiation, electro-medical and electro-therapeutic equipment

Manufacture of machinery and equipment n.e.c.

- 281 Manufacture of machinery for general purposes
- 282 Manufacture of other general purpose machinery n.e.c.
- 283 Manufacture of agricultural and forestry machinery
- 284 Manufacture of machines-tools for working metal and other machines-tools
- 289 Manufacture of other specific purpose machinery

Manufacture of motor vehicles, trailers and semi-trailers

- 291 Manufacture of motor vehicles
- 292 Manufacture of bodywork for motor vehicles; manufacture of trailers and semi-trailers
- 293 Manufacture of components, pieces and accessories for motor vehicles

Naval, railway, aircraft and spacecraft construction. Combat vehicles

- 301 Naval construction
- 302 Manufacture of railway and tramway locomotives and rolling stock
- 303 Manufacture of aircraft and spacecraft and machinery thereof
- 304 Manufacture of military combat vehicles

Manufacture of medical and dental instruments and supplies

- 325 Manufacture of medical and dental instruments and supplies

Repair and installation of machinery and equipment

- 331 Repair of metallic products, machinery and equipment
 - 332 Installation of industrial machines and equipment
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ENERGY

Extraction of anthracite, coal and lignite

- 051 Extraction of anthracite and coal
- 052 Extraction of lignite

Extraction of crude petroleum and natural gas

- 061 Extraction of crude petroleum
- 062 Extraction of natural gas

Manufacture of coke and refined petroleum products

- 191 Manufacture of coke oven products
 - 192 Petroleum refinement
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