

Industrial production index

Fields covered by the index

Industrial production indices (IPI) are calculated for industry and the construction sector. The production statistics used to build them are representative of 83 % of the value-added of enterprises in sections B, C, D and F of NAF rev. 2. In section E, division 36 (water abstraction and distribution) is covered but divisions 37 to 39 (sewerage, waste management and decontamination) are not. The "industry as a whole" field published by INSEE includes sections B, C, D and division 36 of section E.

Dissemination

In the *Informations Rapides*, the indices are disseminated at levels A 10, A 17 and A 38 of the aggregate classification (NA) associated with NAF rev. 2, replacing the Summary Economic Classification (NES) associated with NAF rev. 1; they are also disseminated according to the Main Industrial Groupings (MIG) defined by Eurostat.

In addition to the aggregate levels, more detailed levels – the divisions and groups in NAF rev. 2 – are disseminated on the internet at the following addresses:

- <http://www.indices.insee.fr/>
- <http://www.bdm.insee.fr>

Furthermore, the industrial production indices are also disseminated by Eurostat in the European classifications.

Sources

The industrial production indices are calculated by INSEE by means of branch surveys conducted by INSEE, the SSP, the SOES and professional bodies, and also using data collected by the Energy Observatory. The products monitored in the surveys are to be found at all levels of the manufacturing process: they therefore provide the best representation of activity in industry as a whole. The full methodology for the index, 1995 base, is currently available in the INSEE-Methods collection (n°104) accessible on www.insee.fr. An update for the 2005 base is planned in 2009.

Rebasing to 2005 and the change of classification

Industrial production indices are Laspeyres indices (with constant weightings over time) of production volumes. They are rebased every five years; the indices published for the years 2009 to 2014 have 2005 as their base, i.e. the weightings of the different levels correspond to values calculated for 2005. They are also published with a 100 in 2005 reference, i.e. the indices have a mean of 100 in 2005.

The constant weightings of the branches are their 2005 raw values added to the basic prices. By definition, the values added to basic prices exclude taxes on the products but include subsidies on the products; they do not include transport provisions. They were calculated by intersecting the results of the annual business survey and those of the annual branch surveys. In order to obtain the weightings in NAF rev. 2, the annual business survey and the annual branch surveys were exploited according to both classifications, NAF rev. 1 and NAF rev. 2. Within each branch, the index is built based on a representative sample of activities weighted by their turnover figures (in the annual branch surveys field). Ultimately, 592 control series are used to evaluate the production trends each month in construction and, for industry, in 109 NAF rev. 2 groups.

Among the 592 control series in the 2005 base IPI, 452 can be calculated easily from 1990 because the information exists in the 2000 base IPI, but 140 series were observed for the first time between 2005 and 2008, and their trends from 1990 to the first observation were evaluated. 90 control series are fragments of control series in the 2000 base IPI, the separate observation of which was made necessary by the

change of classification; their trends since 1990 were assumed to be equal to the control series in the 2000 base IPI from which they were detached. Additionally, 50 control series include at least one new part, created to provide better coverage of the branch concerned; the trends of the new parts since 1990 were assumed to be equal to those of the branches they represent

Corrections for seasonal variations and for working days

The calculation of series corrected for seasonal variations (CVS) and calendar effects (CJO) is made in order to make the monthly variations in indices easier to interpret. An estimate of these effects (with a view to neutralising them) is performed with the Tramo-seats programme in Demetra (supplied by the European Commission). It is carried out in the NAF rev. 2 groups.

The annual mean of CVS-CJO indices may differ slightly from that of the raw indices because it takes account of the variations from one year to the next of the annual composition in working days: presence of leap years, position in the week of the various bank holidays, etc.

Periodic rectifications and updates

The responses from enterprises questioned in branch surveys are not always fully available when the index is first published. An estimate is therefore required. The integration of these delayed responses into the index results in the revision of the raw data over the following months.

In most branches, annual or sometimes quarterly surveys provide exhaustive results on the civil year or quarter preceding the last period covered. The monthly indices are then corrected by the comprehensive results in order to include the most complete information since the start of the period covered. These rectifications are taken into account when the indices are published in March, June, September and December. The raw indices then become definitive.

The calculation of the CVS-CJO coefficients is updated monthly. This update takes account of the data of the month under review and the most recent available revisions of the data relating to the previous months. When the indices are published in March, June, September and December, all the CVS-CJO indices published on the INSEE site are updated from 1990. When the indices of the other months are published, only those CVS-CJO data later than December 2003 are updated.