

Statistical bulletin

# UK Manufacturers' Sales by Product (PRODCOM): provisional estimates, 2015

First estimates of UK manufacturing sales by product (PRODCOM).



Contact:  
William Barnes  
prodcompublishments@ons.gsi.  
gov.uk

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# 1. Main points

The value of UK manufacturers' product sales reached £364.6 billion in 2015, a 0.2% increase on the 2014 estimate of £363.9 billion. The rate of growth was the slowest since the 2008 to 2009 economic downturn.

The manufacture of other transport equipment saw the largest divisional growth at £2.0 billion (7.7%).

Strong growth was also reported in manufacturers' sales of motor vehicles and non-metallic minerals in 2015.

The manufacture of machinery and equipment not elsewhere classified saw the largest drop in the value of manufacturers' sales between 2014 and 2015, with a contraction of 7.4% (£2.0 billion).

## 2. Things you need to know

PRODCOM covers product sales by UK manufacturers; this is not the same as [UK retail sales](#), which refer to the sales of goods by retail businesses, or consumer purchases. Links to other manufacturing data sources are mentioned at section 6 'Links to related ONS statistics'.

All estimates of the value of product sales are presented at current prices, meaning that they have not been adjusted for inflation; this is important to bear in mind when comparing value changes over time.

For division 24 (manufacture of basic metals) estimates for the manufacture of basic iron and steel and of ferro-alloys are not included in the overall UK PRODCOM sales figures or in the divisional total.

For division 19 (coke and refined petroleum products), we only include one product – 'pitch and pitch coke, obtained from coal tar or from other mineral tars' which is covered within a single industry (19100: the manufacture of coke oven products). Manufacturers' sales of other products in this division are not included in our estimates.

Due to coverage, methodological, sample, or other differences, PRODCOM estimates may not always match figures given in other manufacturing data sources. Details on the PRODCOM survey methodology can be obtained from our [technical report](#) while products covered can be found in the [PRODCOM list](#).

## 3. Growth in UK manufacturers' product sales slows in 2015

UK manufacturers' sales were valued at £364.6 billion in 2015, up 0.2% compared with the 2014 estimate of £363.9 billion. The increase in the value of sales in 2015 marks the sixth annual increase since 2009; however, this is the slowest annual rate of growth since the 2008 to 2009 economic downturn.

The slow growth in product sales coincides with the fall in producer prices since 2014, driven by a fall in oil prices.

**Figure 1: Total value of UK manufacturers' product sales, 2003 to 2015**



Source: PRODCOM - Office for National Statistics

**Notes:**

1. Care should be taken when comparing estimates prior to 2008 with those after 2008 due to the introduction of new industrial classifications.

Despite a slowdown in growth in 2015, some divisions such as the manufacture of other transport equipment, motor vehicles and non-metallic minerals reported increased product sales.

**Table 1: Contribution to growth and percentage change by division, UK, 2014 to 2015**

Manufacturing Division	Sales value (£ billion)		Change (%)	Contribution to Overall Growth (percentage points)
	2014	2015		
Other transport equipment	26.7	28.7	7.7	0.56
Motor vehicles, trailers and semi-trailers	47.3	48.4	2.3	0.30
Other non-metallic mineral products	11.2	12.0	7.3	0.22
Beverages	13.3	13.9	4.5	0.16
Fabricated metal products, except machinery and equipment	25.4	26.0	2.1	0.15
Repair and installation of machinery and equipment	13.9	14.4	3.6	0.14
Basic pharmaceutical products and pharmaceutical preparations	10.9	11.1	2.2	0.06
Computer, electronic and optical products	12.3	12.4	1.2	0.04
Tobacco products	1.6	1.7	5.4	0.02
Leather and related products	0.7	0.7	0.3	0.00
Furniture	6.6	6.5	-1.6	-0.03
Paper and paper products	10.2	10.1	-1.5	-0.04
Basic metals	6.5	6.2	-5.5	-0.10
Food products	67.8	67.0	-1.3	-0.23
Chemicals and chemical products	22.6	21.8	-3.8	-0.24
Machinery and equipment n.e.c.	27.7	25.7	-7.4	-0.56
All other divisions	59.1	58.5	-1.0	-0.29
<b>Total UK manufacturers sales</b>	<b>363.9</b>	<b>364.6</b>	<b>0.2</b>	<b>Total Growth: 0.18</b>

Source: PRODCOM - Office for National Statistics

Notes:

1. Table 1 shows the divisions with available published data. Some have been suppressed to avoid disclosure, but included in 'All other divisions'.

## 4. Other transport equipment, motor vehicles and other non-metallic mineral products drive growth

The manufacture of other transport equipment was the fastest growing division<sup>1</sup> in terms of product sales since 2014; increasing by 7.7% (£2.0 billion). It accounted for the largest contribution to growth at 0.6 percentage points, with product sales increasing by 50.0% (£9.6 billion) since 2008.

Within the other transport equipment division, the production of air, spacecraft and related machinery had the largest sales value, accounting for a £1.4 billion increase. The UK aerospace industry is the largest in Europe and its growth follows a “rise in commercial production levels” and “investment in skills, technology and productivity” as cited by an article from the UK’s Aerospace, Defence, Security and Space trade body, [the ADS group](#). Furthermore, research and development investment in this sector is among the highest of any sector in the UK, as broadly illustrated within our [Business, Enterprise Research and Development statistics](#).

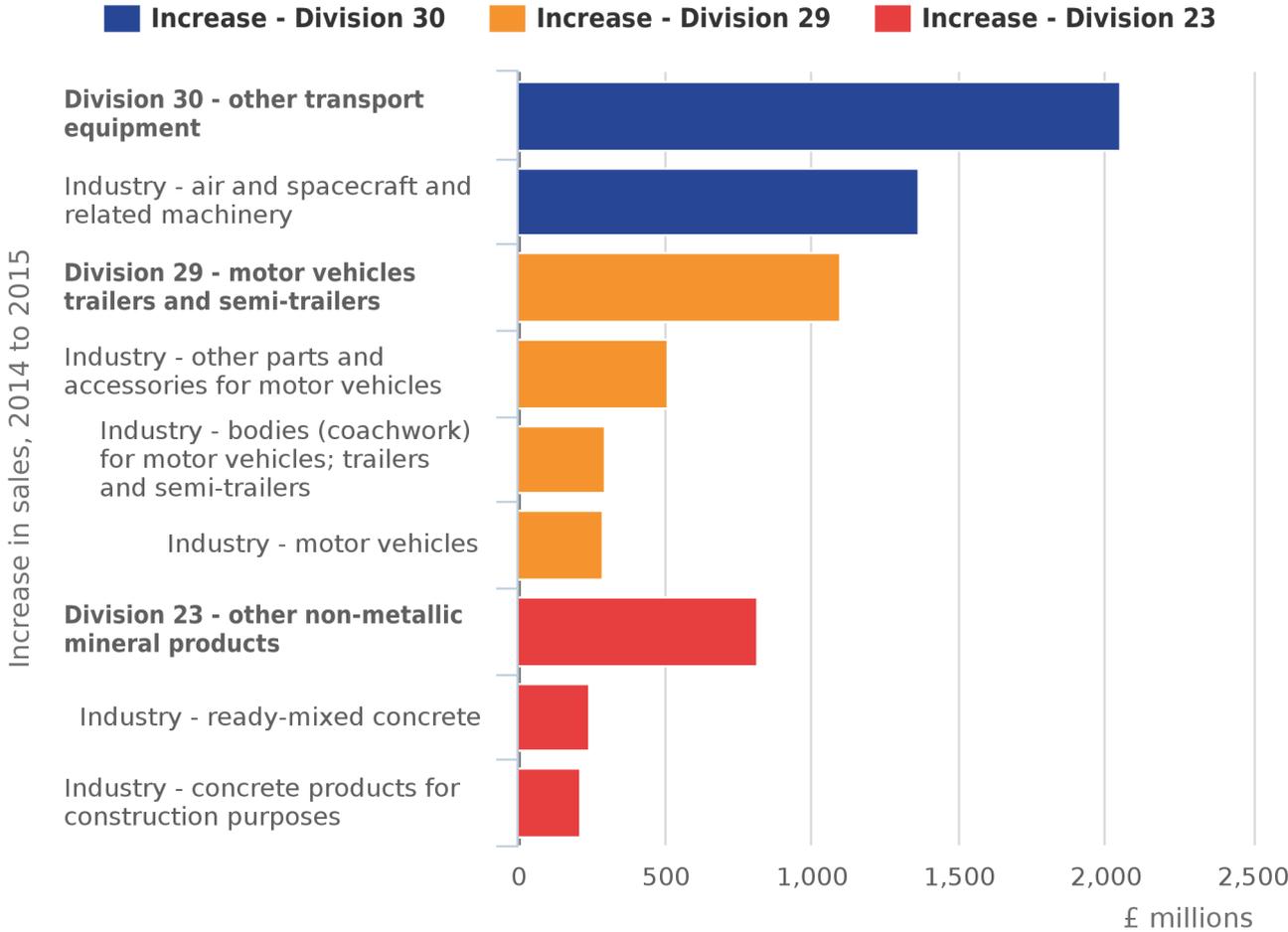
The manufacture of motor vehicles, trailers and semi-trailers has traditionally been an important division for the UK manufacturing sector, and was the only other division to report a billion pounds sales growth, with sales of £48.4 billion, an increase of £1.1 billion (2.3%) since 2014. Sales from the motor vehicle division were 77.1% higher in current prices than in 2009, following the economic downturn.

The manufacture of other parts and accessories for motor vehicles accounted for almost half the annual growth of the industry, at £508.7 million. Much of the increased sales were within the manufacture of parts for vehicle bodies, including chassis frames and cabs.

A published article by the Society of Motor Manufacturers and Traders suggests that [British car manufacturing has had its best year in a decade](#) as exports reached a record high.

Increases in the sales value of ready-mixed concrete of 18.8% (£244.8 million) and concrete products for construction at 10.8% (£209.9 million) have been the main drivers in the growth of the manufacture of other non-metallic mineral products division. The division grew by 7.3% (£814.4 million) in 2015, to a total of £12.0 billion. This represents the highest sales value since 2008.

**Figure 2: Increases in sales for selected divisions and sub-industries, 2014 to 2015, UK**



Source: PRODCOM - Office for National Statistics

1. Based on coverage of PRODCOM survey.

## 5. Machinery and equipment, chemicals and food product sales limit growth

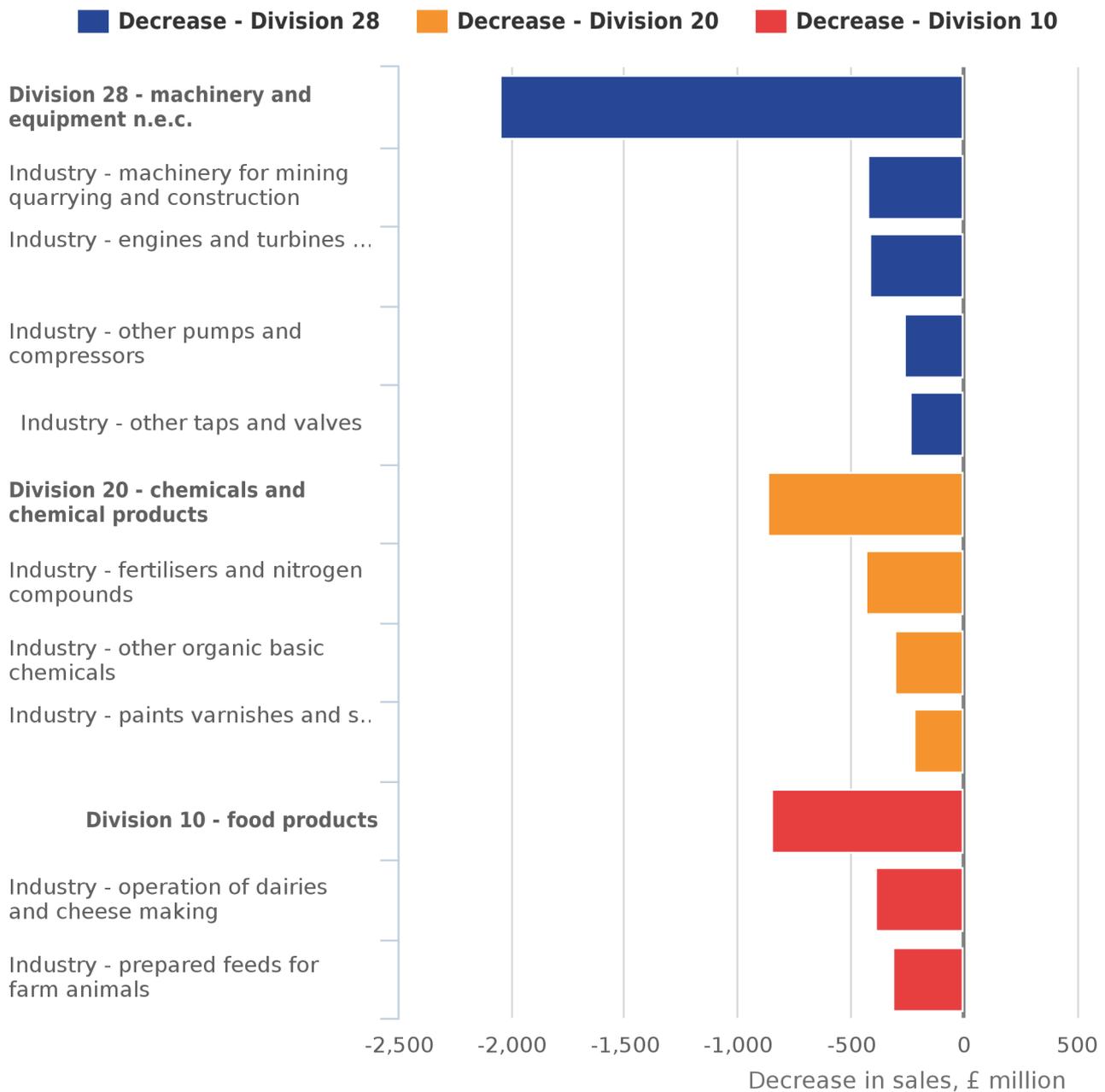
UK manufacturers' sales of machinery and equipment not elsewhere classified reported a reduction in sales of 7.4% (£2.0 billion), limiting the growth of UK manufacturers' product sales. The division contributed -0.6 percentage points to the total UK manufacturing growth rate for 2015. Contributory factors include a fall in the sales value of machinery for mining, quarrying and construction by 9.9% (£419.8 million) while the manufacture of engines and turbines both witnessed a similar reduction, with falling sales of 10.9% (£411.5 million).

The manufacture of chemicals division experienced falling sales of 3.8% (£862.9 million) since 2014. The contraction in annual sales could be attributed to the reduction reported by 3 key industries: manufacturers of fertilisers, other organic basic chemicals and paints and varnishes. These industries combined reported decreases of almost £1.0 billion. Anecdotal evidence from businesses responding to this survey indicates that falling customer demand was the main reason for the reduction in other organic basic chemicals, with falling sales across the industry.

The largest division in UK manufacturing by product sales is the production of food, which makes up almost a fifth (18.4%) of the UK manufacturing sector, and contributed £67.0 billion in 2015. For the first time since 2009, the division reported negative sales growth, with a small reduction in sales of 1.3% (£849.3 million).

Two industries reporting the largest falls within food manufacturing were operations of dairies and cheese-making and manufacture of feeds for farm animals. The reduction in the value of sales for the dairy industry of 4.9% (£390.4 million) between 2014 and 2015 reflects media reports concerning dairy product prices in supermarkets. The manufacture of prepared feeds for farm animals dropped for the second year running by 7.6% (£311.9 million).

**Figure 3: Decreases in sales for selected divisions and sub-industries, 2014 to 2015, UK**



Source: PRODCOM - Office for National Statistics

## 6. Links to related ONS statistics

For [previous PRODCOM statistics](#) visit our webpage which provides a time series from 2008 in excel datasets or 2013 in explorable datasets.

Other data sources which provide information on manufacturing activity in the UK, including several listed in the UK government's recent [Manufacturing Metrics Review](#) are:

- [Annual Business Survey](#)
- [UK Trade in Goods](#)
- [Index of Production](#)
- [Supply and Use Tables](#)
- [Production & Services Turnover \(TOPSI\)](#)

## 7. What has changed within this publication?

Following the discontinuation of the Annual Minerals Raised Inquiry, PRODCOM now includes a sample of business units from UK Standard Industrial Classification (SIC) 2007 Division 8 - "Other Mining and Quarrying".

Our [user engagement consultation](#) on the UK Manufacturers' Sales by Product Survey ran from 14 September to 26 October 2015, with a report published in December 2015. As a response the data and metadata published alongside this release has changed:

- PRODCOM summary tables now have additional information on each page, and a supplementary table contains information on question changes and quality measures
- our [explorable datasets](#) also contain additional information on PRODCOM's quality measures

Improvements have also been made to this bulletin and its contents, to provide a more concise summary of the main statistics. We welcome feedback on these changes via email [prodcompublications@ons.gsi.gov.uk](mailto:prodcompublications@ons.gsi.gov.uk) or telephone: +44 (0)1633 456746.

## 8. Quality and methodology

PRODCOM estimates are based on a sample of businesses that are surveyed annually. Information on standard errors, response rates, revisions and annual product code changes can be obtained from the [quality indicators pack](#) which is available on our website. Standard errors are available for most products and inform users of the precision of the estimates. The 2015 provisional estimates are based on a response rate of 81.5%.

Our [technical report](#) describes the methodology and processes that are used to produce PRODCOM estimates. This includes information on sampling procedures, data collection and converting respondent data into published estimates. It complements the [PRODCOM user guide](#) which explains the variables and provides guidance on using the data correctly, including how to use the open data tables.

The [Quality and Methodology Information report](#) contains important information on:

- the strengths and limitations of the data
- the quality of the output: including the accuracy of the data, how it compares with related data
- uses and users
- how the output was created

The survey is based on the [PRODCOM list](#), which comprises about 3,805 manufacturing products and some services. As PRODCOM is carried out across EU member states the list, and detailed product descriptions, are provided by the European Statistical Office (Eurostat) each year.

A [report on PRODCOM EU methodology](#) is available from the Eurostat website. Eurostat also provides an [annual PRODCOM Quality Report](#) containing comprehensive quality information.

## You might also be interested in:

- PRODCOM excel datasets
- PRODCOM explorable datasets
- [PRODCOM survey microdata from the VML](#) (subject to legal frameworks, disclosure control and access agreements); anyone wishing to become an approved researcher may contact the VML team via [VML.Service.Desk@ons.gsi.gov.uk](mailto:VML.Service.Desk@ons.gsi.gov.uk).
- special extracts and tabulations of PRODCOM data for the UK are available to order (subject to legal frameworks, disclosure control, resources and the [ONS charging policy](#), where appropriate)); enquiries should be made to PRODCOM Publications [prodcompublications@ons.gsi.gov.uk](mailto:prodcompublications@ons.gsi.gov.uk) or telephone: +44 (0) 1633 456746, any user requested data will be published on [our website](#).