

Statistical bulletin

UK Manufacturers' Sales by Product (prodcom): provisional estimates, 2016

Provisional estimates of UK manufacturers' sales by product (Prodcom) for 2016



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1 . Main points

- The value of UK manufacturers' product sales reached £364.7 billion in 2016, an increase of 1.9% compared with a total of £357.8 billion in 2015; this follows a fall in 2014 to 2015 of 1.3%.
- The manufacture of motor vehicles, trailers and semi-trailers saw the largest divisional growth of £6.2 billion, to £54.8 billion in 2016.
- Strong growth was also reported in 2016 for the manufacture of furniture and the manufacture of other non-metallic mineral products.
- The manufacture of machinery and equipment not elsewhere classified saw the largest decrease across the entire manufacturing sector for the second consecutive year, falling by £0.7 billion between 2015 and 2016.

2 . Things you need to know about this release

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 available in section 6.

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 consider when comparing value changes over time.

For other mining and quarrying (division 8), this is the second year data have been collected as part of the Prodcom survey, as opposed to the use of Annual Minerals Raised Inquiry (AMRI) data. To ensure the appropriate level of quality, we will be carrying out further analysis on the data and as a result, the figures for 2016 have been suppressed. The data is still included within the total UK sales.

For manufacture of coke and refined petroleum products (division 19), only one product is included – 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). In 2016 there were no businesses within the Prodcom sample population specifically classified to this industry.

For manufacture of basic metals (division 24), 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 and industry totals.

There have been a number of changes to product codes this year. Product codes are updated each year to ensure that [Prodcom product codes](#) are aligned with the EU classification of products by industry (CPA) and in response to feedback from member states and users.

There are 155 product code changes for 2016, compared with eight changes in 2015. Four new product codes contain content not previously covered by Prodcom:

- groundnuts and nuts, shelled – 10392500
- cured stemmed or striped tobacco leaves – 12001200
- pellets and briquettes of pressed and agglomerated wood and of vegetable waste and scrap – 16291500
- printing onto materials other than fabric or paper – 18121620

There are nine new product codes, which have resulted as a merger of previous product codes.

There are 20 product codes removed with the content moved within existing product codes.

A further 11 products codes split into more detail.

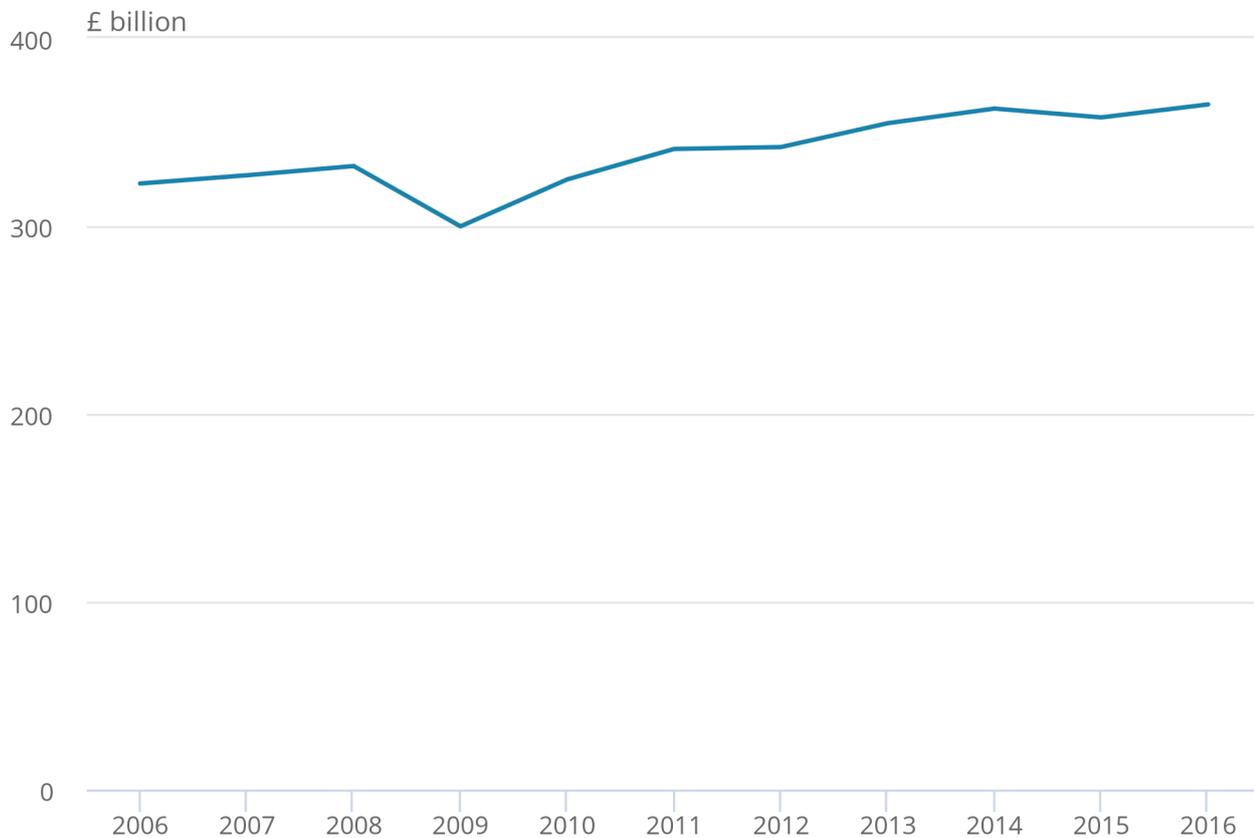
There have been 72 product codes renumbered to a new code. A list of all question changes are included within the Prodcod quality indicators pack.

3 . UK manufacturers' product sales increase in 2016

UK manufacturers' sales were valued at £364.7 billion in 2016, an increase of 1.9% (£6.9 billion) compared with 2015. This reverses the fall that was seen in product sales between 2014 and 2015 with the increase in motor vehicles, trailers and semi-trailers sales contributing to the majority of the overall growth at £6.2 billion.

Figure 1: Total value of UK manufacturers' product sales, 2006 to 2016

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Source: Office for National Statistics

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Notes:

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

The manufacture of food products division remains the largest within UK manufacturing. This division showed small growth in 2016, increasing by 0.3% (£0.2 billion) to £66.5 billion (18.2% of total UK manufacturing). Industries within this division have had a mixed year, with growth in sales for grain mill products and feeds for farm animals, but a fall in sales in the manufacture of bread, pastries and cakes.

Overall the total UK manufacturers' sales have increased, although half of the divisions have seen a decrease. One of the largest decreases was in the manufacture of basic metals, which has shown a steady decline over the last 5 years, with an overall drop in sales of 33.9% (£2.9 billion) since 2011.

Table 1: Contribution to growth and percentage change by division, UK, 2015 to 2016

Manufacturing Division	Sales value (£ billion)			Contribution to Overall Growth (percentage points)
	2015	2016	Change (%)	
Motor vehicles, trailers and semi-trailers	48.6	54.8	12.8	1.7
Other non-metallic mineral products	12.3	13.0	5.6	0.2
Furniture	6.5	7.1	9.3	0.2
Fabricated metal products, except machinery and equipment	25.5	26.0	2.0	0.1
Paper and paper products	10.2	9.8	-3.3	-0.1
Basic metals	6.0	5.6	-6.6	-0.1
Machinery and equipment n.e.c.	24.9	24.2	-2.9	-0.2
All other divisions	223.8	224.1	0.2	0.1
Total UK Manufacturers sales	357.8	364.7	1.9	Total Growth: 1.9

Source: Office for National Statistics

4 . Motor vehicle division causing growth in 2016

Between 2015 and 2016, businesses within the manufacturing of motor vehicles reported an increase in sales of 12.8% (£6.2 billion). Sales within the division have doubled since 2009, from £27.4 billion to £54.8 billion. The division is the largest contributor accounting for the majority of total UK manufacturing growth for 2016, that is, 1.7% of the total growth (1.9%).

The two products with the largest value of UK manufacturers' sales are within the motor vehicle division; motor vehicles with a diesel engine capacity between 1,500cc and 2,500cc and vehicles with a petrol engine capacity above 1,500cc. Both these products saw increased sales in 2016, with sales of diesel vehicles up by 35.5% to £10.6 billion and petrol vehicles increasing by 14.1% to £18.2 billion. These figures support a report from the Society of Motor Manufacturers and Traders, the UK car industry's trade body, who announced that [UK car production achieved a 17-year high in 2016](#) with record levels of motor vehicle exports.

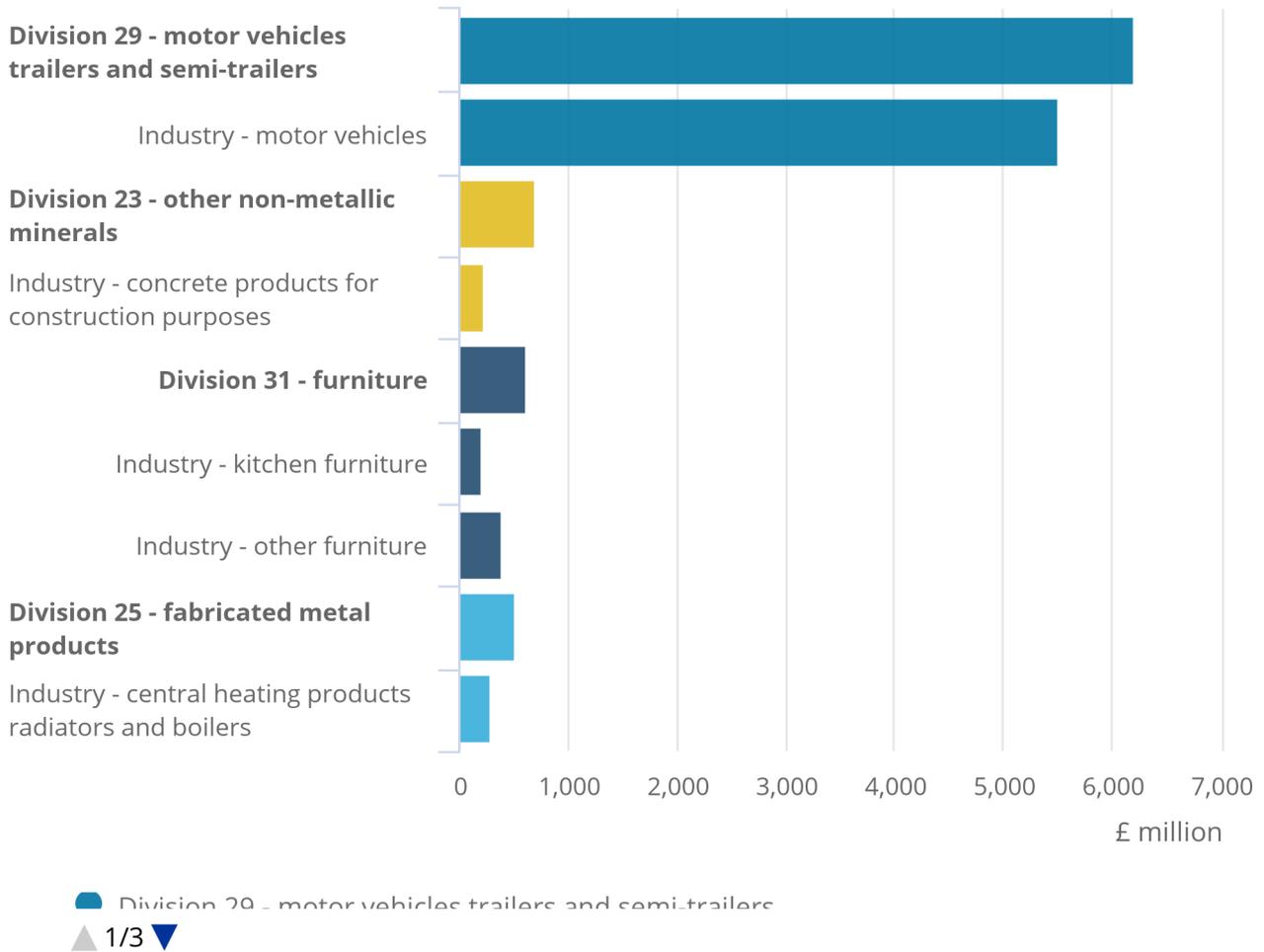
Strong growth was reported in the manufacture of other non-metallic minerals, with 18 of 24 industries within the division reporting increased sales. Sales increased by 5.6% (£0.7 billion) in 2016, to £13.0 billion. This is the fourth consecutive year of growth within the non-metallic minerals division and reflects strong sales in the production of concrete products, in particular building blocks, tiles and flagstones. Output within the division is closely linked with the levels of construction activity, with the manufacturers' sales data broadly in line with [ONS construction output in Great Britain survey data](#), which shows growth in UK construction since 2013.

Businesses within the manufacturing of furniture division reported sales of £7.1 billion in 2016, an increase of 9.3% (£0.6 billion) since 2015. Growth within the industry was mainly due to increases from the manufacture of kitchen furniture 14.1% (£0.2 billion) as well as of "other furniture" at 11.9% (£0.4 billion).

The manufacture of fabricated metal products saw sales increase in 2016 by 2.0% (£0.5 billion) to £26.0 billion, with the growth reflecting increased sales from the manufacture of central heating products, radiators and boilers, which includes an increase in the production of smart meters.

Figure 2: Increases in sales for selected divisions and sub-industries, 2015 to 2016, UK

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Source: Office for National Statistics

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Some specific industries that have shown large increases in 2016, but not reflected this at divisional level include:

- manufacture of dental and medical equipment – increased by 10.4% (£0.3 billion) to £3.0 billion
- manufacture of electronic components – increased by 29.3% (£0.2 billion) to £1.1 billion

5 . Manufacturers of machinery and equipment not elsewhere classified and basic metals report declining sales

While record sales within the motor vehicle division contributed to an overall growth within the manufacturing sector as a whole in 2016, half of the divisions showed a fall in sales.

Of the divisions showing a contraction in sales, manufacturers of machinery and equipment not elsewhere classified reported the largest decline in sales in 2016, falling by £0.7 billion (2.9%) to £24.2 billion. Within this division, sales from the manufacture of machinery for mining, quarrying and construction declined by 16.7% (£0.6 billion) to £3.2 billion. A lack of demand from the worldwide mining and energy sectors had a negative effect on sales of heavy machinery such as excavators and dumpers, which contributed to the fall.

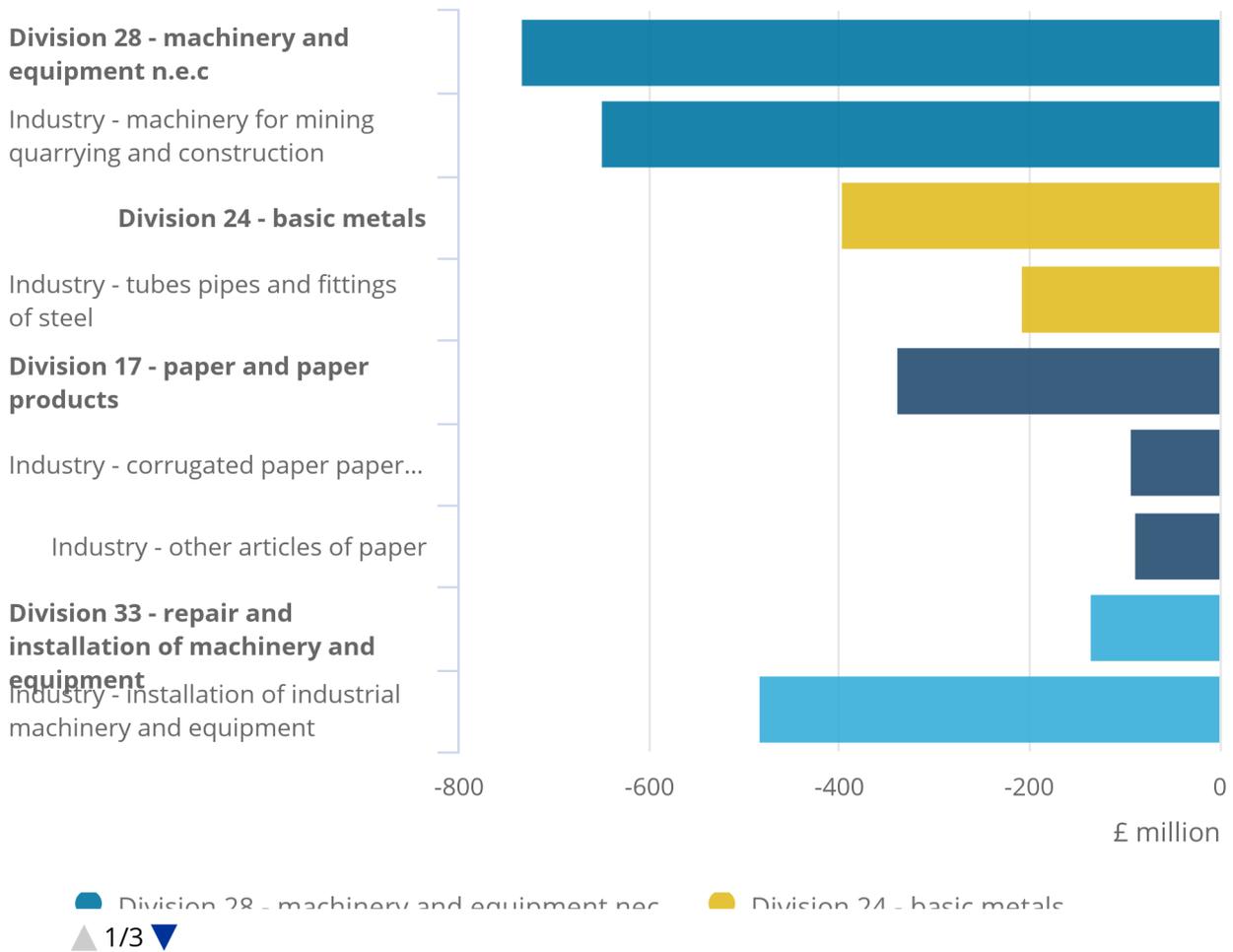
Sales from businesses within the basic metals division have declined for a fifth consecutive year, with year-on-year sales falling by 6.6% (£0.4 billion) to £5.6 billion in 2016. Most industries within this division show declining sales between 2015 and 2016, with the largest decrease seen within the manufacture of tubes, pipes and fittings of steel; sales from this industry declined by 21.4% (£0.2 billion) between 2015 and 2016, to £0.8 billion.

A fall of £0.1 billion from both the manufacture of corrugated paper, paperboard and containers of paperboard, and from the manufacture of other articles of paper, contributed to a fall in sales within the paper division of 3.3% (£0.3 billion) to £9.8 billion in 2016. One reason for the decline in demand across the division has been the increasing usage of computers and new communication technology, which has replaced the use of paper and newspapers.

The installation of industrial machinery and equipment industry saw a large decline in sales between 2015 and 2016, declining by 13.6% (£0.5 billion) to £3.1 billion. Within the repair and installation of machinery and equipment division, other industries have reported strong sales so the effect on the division has been a relatively small decline of 0.9% (£0.1 billion) to £14.1 billion.

Figure 3: Decreases in sales for selected divisions and sub-industries, 2015 to 2016, UK

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Source: Office for National Statistics

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Other industries that have shown a large fall in their sales between 2015 and 2016 include:

- operation of dairies and cheese-making – down 4.6% (£0.3 billion) to £7.2 billion
- machining – fall of 6.9% (£0.3 billion) to £4.9 billion

The manufacture of electric motors, generators and transformers, as well as the building of ships and floating structures, have both seen sales fall by over £0.5 billion between 2015 and 2016; however, this is partly due to the amendments in product classifications explained in section 2.

6 . Links to related statistics

[Previous Prodcom statistics](#), which provide a time series from 2008 in Excel datasets or from 2013 in explorable datasets, are available.

Other data sources with information on manufacturing activity in the UK, including several listed in the UK government's [Manufacturing metrics review](#), are:

- [Annual Business Survey](#)
- [UK trade](#)
- [Index of Production](#)
- [Supply and use tables](#)
- [Production and services turnover \(TOPSI\)](#)

7 . What's changed in this release?

There are no major changes within this publication; however, we constantly aim to improve our bulletin and its contents, to provide a more concise summary of the main statistics. We welcome feedback via email at ProdCompublications@ons.gov.uk or by telephone on +44 (0)1633 456720.

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 in the related downloads section of the [Prodcom background information page](#). The Prodcom background information page also includes:

- Prodcom technical report
- Prodcom user guide
- Quality and methodology information

Standard errors are available for most products and inform users of the precision of the estimates. The 2016 provisional estimates are based on a response rate of 79.3%.

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 [UK manufacturers' sales by product \(Prodcom\) Quality and Methodology Information](#) document contains important information on:

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

The survey is based on the [Prodcom list](#), which comprises of 3,876 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 Eurostat.

Eurostat also provides an annual [Prodcom quality report](#) containing comprehensive quality information.