

General notes

1. Purpose of PRODCOM
2. Organisation of the List
3. Heading characteristics
 - 3.1 PRODCOM codes
 - 3.2 Heading types
4. External trade nomenclature reference
5. Survey characteristics
 - 5.1 Type of production
 - 5.2 Valuation
 - 5.3 Volumes
6. Coverage
7. Z aggregates
8. Intermediate products
9. Industrial services
10. Products 'packaged for retail sale'
11. List of units
12. Lexicon of abbreviations used in column "Description"
13. Additional remarks

1. Purpose of PRODCOM

PRODCOM is a survey to collect statistics on the amount of production of each of the products in the PRODCOM List, that has taken place in the reporting country during the reference period. Although the aim should be to achieve 100 % coverage of each product, in other words to report the full amount of production of each product, this is unrealistic. In particular, in order to reduce the burden on small enterprises, the regulation states that only enterprises with more than 20 employees should be surveyed. However the regulation stipulates that national survey methods should ensure that 90 % coverage across the whole 4-digit NACE class is achieved.

2. Organisation of the list

The list is divided into "Classes" corresponding to the classes of NACE 2. Within the individual classes, the headings of the list are set out in ascending order of their PRODCOM codes, grouped according to the corresponding CPA headings.

3 Heading characteristics

3.1 PRODCOM codes

The column called "PRODCOM" contains the PRODCOM codes of the products to be recorded. Each heading is identified by an eight-digit code according to the following pattern:

XX.XX.YY.ZZ

The first four digits of the code (XX.XX) correspond to the classes of NACE 2. The first six digits (XX.XX.YY) are the CPA code (European Union Classification of Products by Activity)¹, while the last two digits (ZZ) show the classification of a heading within this CPA heading.

3.2 Heading types

There are four types of Prodcom heading designated **S**, **T**, **V** and **I**, indicating what should be reported. **S**, **T** and **V** refer to physical products and **I** refers to industrial services. The heading type is given in Column "P".

- S** = Production sold should be reported by value and volume for type **S** headings. In some cases no volume unit is defined for a heading. In these cases only the value should be reported
- T** = Total production should be reported by volume for type **T** headings. In addition the sold production by value and volume should be reported
- V** = Total production should be reported by volume for type **V** headings. Sold production is not required
- I** = Type **I** headings are industrial services. The reported value should be the fee paid. No volume data should be reported

Sections 4 – 8 deal with physical products of types **S**, **T** and **V**.

Since headings of type **I** concern industrial services rather than physical products, they constitute a special case. They are dealt with separately in section 9.

4. External trade nomenclature reference

In accordance with Article 2(2) of the PRODCOM Regulation, each heading of the PRODCOM list is, with a few exceptions, defined by one or more headings of the European Union external trade nomenclature, i.e. the eight-digit Combined Nomenclature (CN). Therefore the "General rules for the interpretation of the Combined Nomenclature" are, in principle, also applicable for the interpretation of the PRODCOM List. The corresponding CN headings are listed in the column "External trade nomenclature reference for 2008 HS/CN". The "Description" does not always cover the entire content of the heading.

1

Council Regulation (EEC) No 3696/93 of 29 October 1993 on the statistical classification of products by activity (CPA) in the European Economic Community (OJ No L 342 , 31.12.1993, p. 1); Commission Regulation (EC) No 204/2002 of 19 December 2001 amending Council Regulation (EEC) No 3696/93 on the statistical classification of products by activity (CPA) in the European Economic Community.

5. Survey characteristics

In accordance with Article 2 of the PRODCOM Regulation, the physical volume and the value of production are normally recorded for the products in the PRODCOM list.

5.1 Type of production

In accordance with Article 2 (3) and (4), different production concepts are used in the survey:

- production sold during the survey period.
- actual production (total production) during the survey period. This includes any production by the enterprise which is incorporated into the manufacture of other products. Such production is normally taken to mean only those products which:
 - * are processed into another product, or
 - * are fitted into another product, or
 - * are put in stock.

Enterprises to survey

In order to conform to the Prodcum regulation, the reporting country must record at least 90 % of the value and volume of production carried out by enterprises on its territory, In order to achieve this, the survey should include all producers, regardless of the nature of the enterprise. Principal enterprises, contract processors and enterprises working under any other arrangement should be included. Conversely, production physically carried out in another country must not be included.

5.2 Valuation

The value of production sold should be calculated on the basis of the ex-works selling price obtained during the reporting period. It also includes packaging costs, even if they are charged separately.

However, the following are not included:

- any turnover tax and consumer tax charged
- separately charged freight costs
- any discounts granted to customers

If finished products are hired out or leased (e.g. computer equipment, telephone installations, washing machines), or if for any other reason the manufacturing enterprise is not selling the goods, the price obtainable on the market for the product in question should be recorded as an estimated value. If the enterprise is unable to estimate the value, the National Statistical Institute should use the unit value from other enterprises or from other countries to estimate the value.

5.3 Volumes

The particular physical units in the CN have normally been adopted for recording the volume of production. In exceptional cases a different unit is recorded (marked with @).

The units belonging to the individual PRODCOM headings are given in the column "Volume Physic. unit". A hyphen ("-") in this column means that for that particular heading only the value is recorded and not the volume.

6. Coverage

The PRODCOM statistics normally cover all enterprises/local units which physically manufacture products contained in the PRODCOM list.

Among the rules on representativeness contained in Article 3, paragraph 3 stipulates that all enterprises in Sections B and C of NACE 2 employing at least 20 people must be included. However, in accordance with paragraph 2, at least 90 % of production in each (four-digit) class of NACE 2 must be recorded.

7. Z aggregates

In some circumstances, the Prodcod headings are broken down to a greater level of detail than the Combined Nomenclature heading. This situation arises when a greater level of detail than the one provided in CN is required for analytical purposes. Some of these detailed codes are also the legacy of a time when some CN codes could be linked to several CPA headings. Therefore they continue to be collected to maintain long time series.

In order to maintain the link to CN for such headings, special aggregates are created. These are known as Z aggregates since they have a Z in the seventh position of the PRODCOM code. The detailed headings that make up the aggregate are identified by a 'z' in the PRODCOM column below the Prodcod code. Below is an example of this type of aggregation:

13.10.61.32 z	Yarn of uncombed cotton, n.p.r.s., for woven fabrics (excluding for carpets and floor coverings)	5205 [.1 +.3]a + 5206 [.1 +.3]a
+		
13.10.61.33 z	Yarn of uncombed cotton, n.p.r.s., for knitted fabrics and hosiery	5205 [.1 +.3]b + 5206 [.1 +.3]b
+		
13.10.61.35 z	Yarn of uncombed cotton, n.p.r.s., for other uses (including carpets and floor coverings)	5205 [.1 +.3]c + 5206 [.1 +.3]c
=		
13.10.61.Z1	Cotton yarn of uncombed fibres, n.p.r.s.	5205 [.1 +.3] + 5206 [.1 +.3]

A table showing all Z aggregates and the related detailed headings is given at the end of the list.

8. Intermediate products

Intermediate products are a special type of physical product, with the following characteristics:

- If a product is manufactured by an enterprise and used by the same enterprise as an input to the manufacture of another product, its production is not recorded.
- If the same product is manufactured by an enterprise and supplied to another enterprise, for use as an input to the manufacture of another product, its production is recorded as an intermediate product.
- If the same product is manufactured by an enterprise and is then sold for consumption, its production is recorded as a final product.

Intermediate products are not covered by the Combined Nomenclature, since such products are not sold; therefore, no CN references are provided for intermediate products (in column "External trade nomenclature reference").

The Specific Notes indicate the headings to be used in individual cases.

9. Industrial services

Industrial services cover treatment, repairs and maintenance, and assembly work. They are described in more detail below.

Since in the case of industrial services the service is the "product", headings of this type record the value of the service, i.e. the fee paid, rather than the value of any associated physical goods.

Treatment

A distinction is normally made between the treatment of the enterprise's own products (in-house treatment), the treatment of bought-in products (treatment on own account) and the treatment of outside products under contract (contract treatment). The treatment process does not involve any change in the form of the product. In contrast to contract processing, treatment of a given product in the PRODCOM list does not involve converting it into another product in the list. The following are examples of treatment processes: dyeing, staining, finishing, printing, gilding, etching, varnishing, etc.

For in-plant refining, no separate registration number is required since it is considered to be part of the production activity. Even if the in-plant refining is carried out in a separately located refining plant of the same enterprise, the production plant reports the refined product with its total (gross) value as sales production; the refining plant itself makes no report for the production statistics unless, apart from in-plant refining, it performs its own independent refining or contract refining, which it would then have to quote separately in the production statistics.

The value of own-account refining work, insofar as there are separate reporting numbers available, only needs to be reported by the plant doing the refining. The value to be indicated is the gross (invoice) value.

Contract refining work also only needs to be reported by the plant that carried out the refining. The value to be indicated by the refining plant is the sum paid by the client. The client for his part reports the total value and the quantity of refined product as sales production, unless the client did not produce the raw product himself but purchased it. In this case, the client reports neither the quantity nor the value of the refined product. Where contract refining is concerned, the client and contracting company must be separate companies; contract refining between different plants of the same enterprise is not possible.

Maintenance and repairs

Only the value of maintenance and repair work should be recorded, using the relevant reporting codes, whereby the value is to be recorded as the costs actually charged for the maintenance and repairs. Maintenance and repairs involving major reconstruction of the product being repaired or maintained should be entered as production. Maintenance and repair work on the enterprise's own plant and equipment should not be recorded.

Assembly work

Assembly work involves constructing a product by assembling a number of separate components into a product for which there is no separate number in the PRODCOM list.

A distinction is to be made between the following two types of assembly:

- a) if the assembled components are entirely or predominantly manufactured in another plant (belonging to the same or to another enterprise), only the value of the assembly work should be entered under the appropriate PRODCOM code. The value here is the costs charged for assembly (including the materials used in the assembly), excluding any turnover tax charged. It does not include the value of assembled components manufactured in the plant where the assembly work is carried out.
- b) conversely, if components are assembled in the plant in which they have been entirely or predominantly manufactured, the value of the assembly work (including the materials used in assembly) should normally be added pro rata to the production value of these components. However, if this poses problems (e.g. in the case of large-scale installations), such work may be recorded under the special PRODCOM codes for assembly work.

Some of these services, however, are classified as non-industrial services in NACE 2, e.g. maintenance and repair of motor vehicles and maintenance and repair of office, accounting and computing machinery. This also applies to software consultancy and supply and other computer and related activities.

10. Products 'packaged for retail sale'

These headings have "p.r.s." or "put up in forms or packings for retail sale or as preparations or articles" in the description. Only enterprises that have manufactured these products should declare their production, and not those that have merely packaged goods manufactured by another enterprise.

11. List of units

		Prodcod Unit Code
GT	Gross tonnage	1000
CGT	Compensated Gross Tonne	1050
c/k	Carats (1 metric carat = $2 \cdot 10^{-4}$ kg)	1100
ce/el	Number of elements	1200
ct/l	Carrying capacity in tonnes	1300
g	Gram	1400
kg	Kilogram	1500
kg Al ₂ O ₃	Kilogram of dialuminium trioxide	1510
kg B ₂ O ₃	Kilogram of diboron trioxide	1511
kg BaCO ₃	Kilogram of barium carbonate	1512
kg Cl	Kilogram of chlorine	1513
kg F	Kilogram of fluorine	1514
kg HCl	Kilogram of hydrogen chloride	1515
kg H ₂ O ₂	Kilogram of hydrogen peroxide	1516
kg KOH	Kilogram of potassium hydroxide (caustic potash)	1517
kg K ₂ O	Kilogram of potassium oxide	1518
kg K ₂ CO ₃	Kilogram of potassium carbonate	1519
kg N	Kilogram of nitrogen	1520
kg NaOH	Kilogram of sodium hydroxide (caustic soda)	1521
kg Na ₂ CO ₃	Kilogram of sodium carbonate	1522
kg Na ₂ S ₂ O ₅	Kilogram of sodium pyrosulphide	1523
kg PbO	Kilogram of lead oxide	1524
kg P ₂ O ₅	Kilogram of phosphorus pentoxide (phosphoric anhydride)	1525
kg S	Kilogram of sulphur	1526
kg SO ₂	Kilogram of sulphur dioxide	1527
kg SiO ₂	Kilogram of silicon dioxide	1528
kg TiO ₂	Kilogram of titanium dioxide	1529
kg act. subst.	Kilogram of activate substance	1530
kg 90 % sdt	Kilogram of substance 90% dry	1531
kg HF	Kilogram of hydrogen fluoride	1532
km	Kilometer	1700
kW	Kilowatt	1800
1 000 kWh	1 000 kilowatt hours	1900
l	Litre	2000
l alc 100%	Litre pure (100%) alcohol	2100
m	Metre	2200
m ²	Square metre	2300
m ³	Cubic metre	2400
pa	Number of pairs	2500
p/st	Number of items	2600
TJ	Terajoule (gross calorific value)	2900

12. Lexicon of abbreviations used in column "Description"

≤	Less than or equal to
≥	Greater than or equal to
ABS	Acrylonitril-Butadiene-Styrene
CVD	Chemical Vapour Deposition
LCD	Liquid Crystal Display
PVD	Physical Vapour Deposition
SAN	Styrene-Acrylo-Nitril
HS	Harmonized System
CN	Combined Nomenclature
cg	Centigram
cm ³	Cubic centimetre
kN	Kilonewton
kV	kilovolt
kVA	Kilovolt-ampere(s)
KVAR	Kilovolt-ampere(s) - reactive
mm	millimetre
MPa	megapascal
t	ton
excl.	excluding
incl.	including
n.e.c.	not elsewhere classified
n.p.r.s.	not packaged for retail sale
p.r.s.	packaged for retail sale
v.q.p.r.d.	vin de qualité produit dans une région déterminée (Quality wines produced in specified regions)

13. Additional remarks

The columns named "PRODCOM" and "Reference to notes" contain letters or other symbols which provide information about the statistical treatment of the headings; the meaning of these letters and symbols is explained below:

Column "PRODCOM"

- z = Component of a Z list aggregation
- * = Modified heading of the List compared to the previous year
- @ = Unit differs from CN unit

Column "Reference to Notes"

- A1, B1, B2, B3, C1, C2, C3 = Specific definitions for some iron and steel products (see specific notes for division 24)
- C = Considerations on metal coating (see specific notes for division 25)
- M = Considerations on military products
- O = Considerations on the links to CN for ships (see specific notes for division 30)
- P = Considerations on printing products (see specific notes for division 18)
- R = Provisions on newly constructed ships (see specific notes for division 30)
- S1, S2 = Considerations on sub-contracting