



## Short-Term Output Indicators for Wales: 2020 Quarter 1

16 July 2020  
SFR 81/2020

The most recent data in this report is for the year ending March 2020. The data will cover a very short period of the coronavirus (COVID-19) pandemic. [Potential impacts](#) as a result of this are discussed on page 2. The pandemic has also affected the response rates, further details can be found in the [key quality information](#).

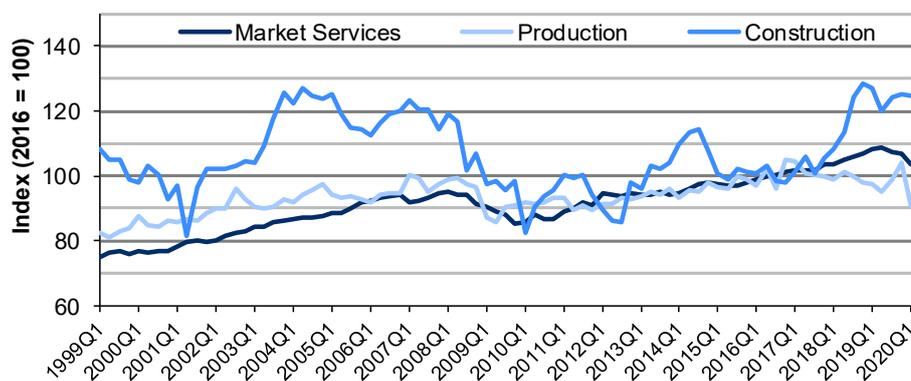
### 1. Background and Key Points

The market services, production and construction sectors account for approximately 46.1%, 21.4% and 6.1% of the Welsh economy respectively.

When comparing the year ending March 2019 to the year ending March 2020:

- The index of market services **increased** by 0.1% in Wales and by 0.8% in the UK.
- The index of production **decreased** by 1.7% in Wales and by 2.3% in the UK.
- The index of construction **increased** by 0.2% in Wales and by 0.4% in the UK.

**Chart 1.1: Summary of Short Term Output Indicators**



Source: Short-term output indicators, WG and ONS

When comparing the latest quarter to the previous quarter:

- The index of market services **decreased** by 3.2% in Wales and by 2.0% in the UK.
- The index of production **decreased** by 13.0% in Wales and by 1.5% in the UK.
- The index of construction **decreased** by 0.4% in Wales and by 1.7% in the UK.

### About this release

The indices of market services, production and construction for Wales are quarterly indices showing short term movements in the output of companies in the market services, production and construction sectors within Wales. This release includes data up to March 2020.

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## Impact of coronavirus on short term output indicators

Smaller sample sizes in Wales tend to result in a less stable series compared to the UK. This is particularly the case in the short term which can make it difficult to interpret changes. While it is possible that a number of the changes seen in the three months to March 2020 are as a result of the coronavirus pandemic, we can't say for certain.

The latest estimate for [UK gross domestic product](#) (GDP) published by the Office for National Statistics (ONS) estimated a large fall in the first three months of 2020, particularly in services output, as well as production and construction. The [ONS release](#) also describes how the contraction in the UK economy was broadly in line with what might have been expected, given the policies that were in place in the UK in quarter 1.

Given what we know so far about how the pandemic is impacting the economy, it is possible that some of the decreases seen in these short term output indicators, particularly in some market services and production when comparing to the previous quarter, could be a reflection of the widespread economic disruption.

However there is typically a large element of volatility in these estimates and another impact of the pandemic, as described by ONS, has been the impact on data collection which might have a greater impact on the Welsh series. There has been a reduction in the response rate for this quarter ([see section 7.2](#)), and a number of response targets have not been met. The impact of the pandemic on the economy in Wales will become clearer as more data becomes available.

## Summary of Indices

The index of production, the index of construction and the index of market services are three separate indices. The index of production covers sections B to E of the Standard Industrial Classification (SIC) 2007, the index of construction covers section F and the index of market services covers sections G to N and R to T:

<b>Section B: Mining and Quarrying</b>	Index of Production
<b>Section C: Manufacturing</b>	
<b>Section D: Electricity, Gas, Steam and Air Conditioning Supply</b>	
<b>Section E: Water Supply; Sewerage, Waste Management and Remediation Activities</b>	
<b>Section F: Construction</b>	Index of Construction
<b>Section G: Distribution</b>	Index of Market Services
<b>Section H: Transport</b>	
<b>Section I: Accommodation and Food Service Activities</b>	
<b>Section J: Information and Communication Activities</b>	
<b>Section K: Financial and Insurance Activities</b>	
<b>Section L: Real Estate Activities</b>	
<b>Section M: Professional, Scientific and Technical Activities</b>	
<b>Section N: Administrative and Support Service Activities</b>	
<b>Sections R, S &amp; T: Other Services</b>	

The index of production is composed of three sub-indices, the largest of which is Manufacturing which accounts for 81.9%. Electricity, Gas and Water Supply accounts for 17.0% and Mining and Quarrying for 1.1%.

The largest components within Manufacturing are Transport Equipment and Other Manufacturing and Repair, accounting for 18.0% and 17.4% of Manufacturing, respectively. The smallest component within Manufacturing is Textiles, Wearing Apparel & Leather accounting for 1.5% of Manufacturing.

The largest industries within the Index of Market Services for Wales are Real Estate Activities and Distribution accounting for 26.6% and 21.0% respectively. The smallest industries are Information & Communication Activities (accounting for 6.1%) and Transport (accounting for 6.5%). For further information on these industry sections and sub-sectors see [Appendix A](#).

Table 1.1 shows the index of production, index of construction and the index of market services for Wales. Percentage changes are provided to show the change over the latest year and the latest quarter for Wales and the UK.

**Table 1.1: Seasonally Adjusted Indices of Output for Wales <sup>(1)</sup>***(2016 = 100)*

						<i>Latest percentage change</i>			
						4 qtrs to previous 4 qtrs		qtr to previous qtr	
	2019				2020	Wales	UK <sup>(2)</sup>	Wales	UK <sup>(2)</sup>
	Q1	Q2	Q3	Q4	Q1				
<b>PRODUCTION</b>	<b>97.4</b> (r)	<b>95.2</b> (r)	<b>99.0</b> (r)	<b>104.3</b> (r)	<b>90.7</b>	<b>-1.7</b>	<b>-2.3</b>	<b>-13.0</b>	<b>-1.5</b>
Manufacturing	101.9 (r)	98.4 (r)	103.4 (r)	109.3 (r)	93.7	-2.2	-3.1	-14.2	-1.1
Mining and Quarrying	64.5 (r)	73.3 (r)	70.9 (r)	66.8 (r)	69.1	19.2	-1.0	3.4	-2.1
Electricity, Gas and Water Supply <sup>(3)</sup>	78.3 (r)	80.9 (r)	79.8 (r)	82.5 (r)	77.6	0.2	0.4	-6.0	-2.8
<b>CONSTRUCTION</b>	<b>126.8</b> (r)	<b>120.2</b> (r)	<b>124.3</b> (r)	<b>125.0</b> (r)	<b>124.5</b>	<b>0.2</b>	<b>0.4</b>	<b>-0.4</b>	<b>-1.7</b>
<b>MARKET SERVICES</b>	<b>108.2</b> (r)	<b>108.6</b>	<b>107.3</b> (r)	<b>106.9</b> (r)	<b>103.5</b>	<b>0.1</b>	<b>0.8</b>	<b>-3.2</b>	<b>-2.0</b>
Distribution	111.7 (r)	113.9 (r)	110.7 (r)	112.6 (r)	108.6	1.1	0.9	-3.6	-3.1
Transport	134.1 (r)	138.6 (r)	128.1	123.3 (r)	115.5	9.5	-0.1	-6.3	-4.1
Accommodation & Food Service Activities	104.6 (r)	105.4 (r)	102.9 (r)	95.5 (r)	88.7	-2.1	-1.6	-7.2	-10.4
Information & Communication Activities	109.9 (r)	104.6 (r)	103.9 (r)	108.5 (r)	105.0	-8.1	3.6	-3.2	-2.1
Financial & Insurance Activities	103.3 (r)	102.0	104.5 (r)	105.6 (r)	100.9	-2.8	-2.0	-4.5	0.4
Real Estate Activities	104.9	103.7	103.0 (r)	101.7	101.9	-1.5	0.8	0.2	0.3
Professional, Scientific & Technical Activities	119.8 (r)	122.0 (r)	123.4 (r)	128.3 (r)	122.6	10.5	2.3	-4.4	-0.4
Administrative & Support Service Activities	105.6 (r)	105.4 (r)	111.6 (r)	113.1 (r)	104.8	-0.9	1.6	-7.4	-3.0
Other Services	87.2 (r)	89.2 (r)	85.7 (r)	79.0 (r)	80.6	-5.5	-0.7	1.9	-3.9

*Source: Short-term output indicators, WG and ONS*

(1) All series are seasonally adjusted. Please see Table B (Appendix B) for more detail on industrial sectors.

(2) Revisions to the series are normally made each quarter to take account both of more recent information and improved seasonal factors.

(3) UK figures for Production and Market Services as published by the Office for National Statistics on 30 June 2020 and UK figures for Construction as published by the Office for National Statistics on 12 June 2020.

(r) Data revised since last publication

## Other sources of economic output statistics

Until recently these short term output indicators (STOI) have been the best and most timely output measures available for the Welsh economy. The Office for National Statistics (ONS) have now developed experimental statistics that are conceptually similar to STOI called [GDP for Wales and the English regions](#).

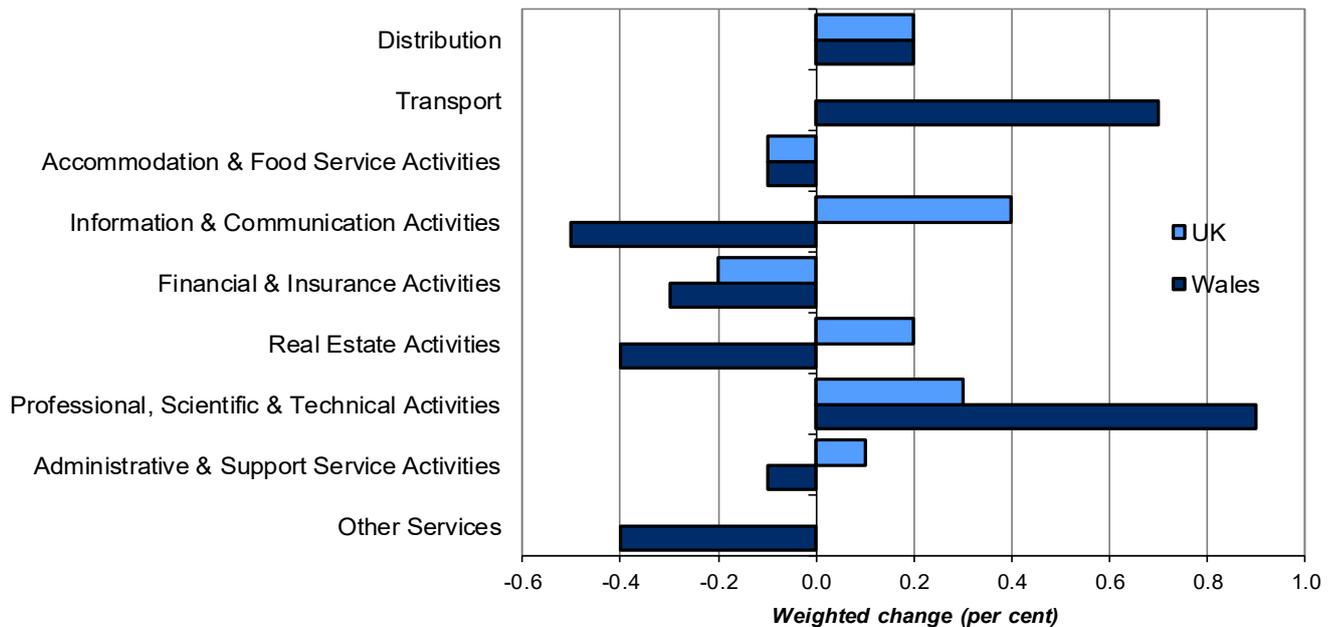
We published a [statistical headline](#) which draws out the key points for Wales, and a [Chief Statistician's update](#) which describes the new statistics in some more detail. More information and comparisons between GDP and STOI can be found in the [key quality information](#) section of this release.

## 2 Index of Market Services: latest changes

This section examines the outputs of each industry within the index of market services and their respective impact on the overall index.

Chart 2.1 shows the impact of changes in the sub-sectors on the index as a whole for the latest year (based on weighted data).

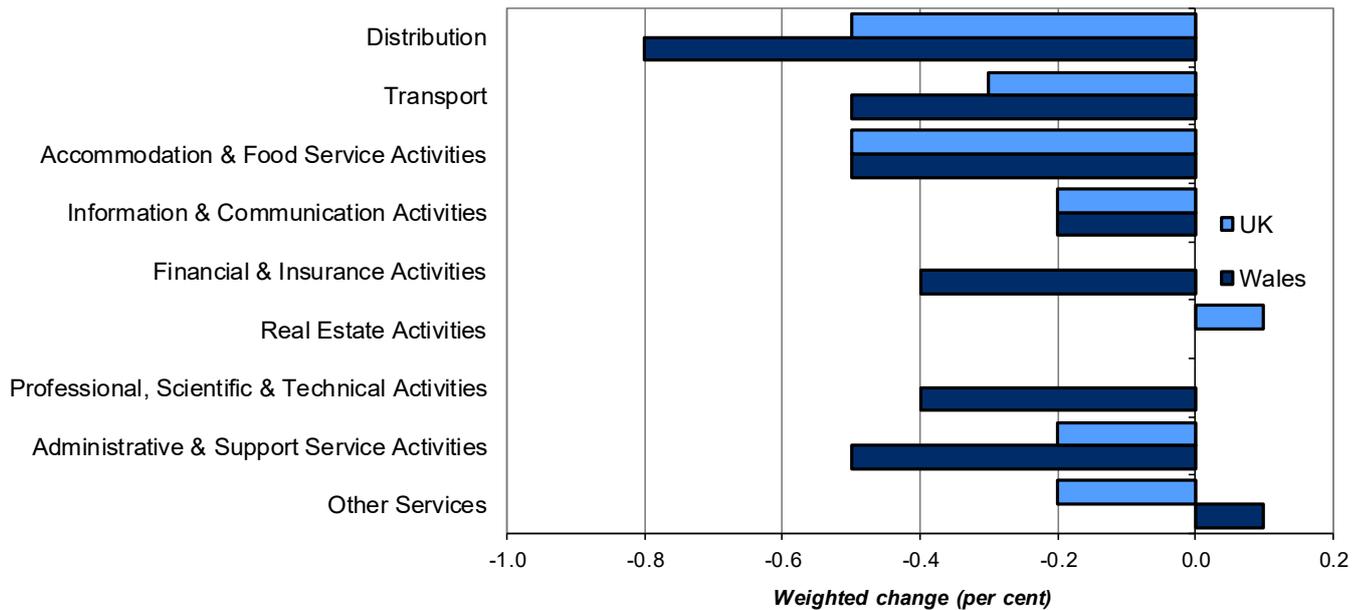
**Chart 2.1: Contribution to overall percentage change, latest four quarters compared with previous four quarters**



Source: Short-term Output Indicators, WG and ONS

Three of the nine industries within the index of market services for Wales have shown growth over the past four quarters, with Professional, Scientific & Technical Activities and Transport showing the largest positive changes. Six of the nine industries have declined with the largest fall being in Information & Communication Activities.

**Chart 2.2: Contribution to quarterly percentage change, current quarter compared with previous quarter**



Source: Short-term Output Indicators, WG and ONS

Chart 2.2 shows a comparison of the current quarter with the previous quarter, for both Wales and the UK. One of the nine industries within the index of market services for Wales has shown growth over the quarter, seven industries have declined and one remained unchanged (to one decimal place). Other Services showed the only positive change in Wales over the quarter and Distribution had the largest negative change.

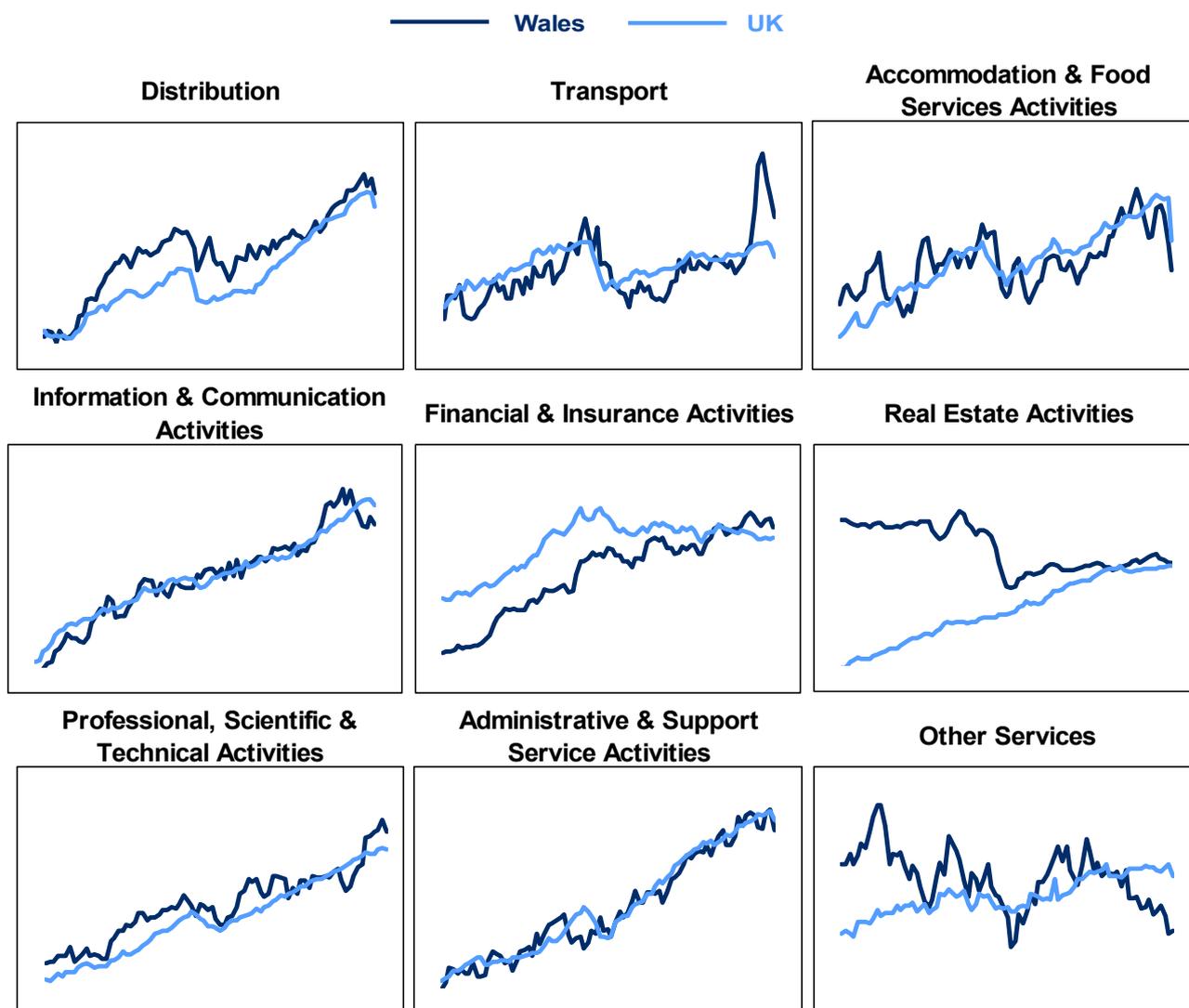
One of the nine industries in the UK increased on the quarter, six of the nine industries declined and two of the nine industries remained unchanged (to one decimal place).

Estimates for changes in Wales are typically larger than for the UK, whether positive or negative, reflecting the smaller sample sizes in Wales which result in less stable series. This is particularly the case in the short term but longer term trends are regarded as reliable.

### 3 Index of Market Services: industry trends

This section shows changes in output since 1999 for the nine industries which comprise the index of market services. The Welsh results for some are more volatile than for the UK equivalents because of smaller survey samples. Table B2 in [Appendix B](#) provides the latest annual and quarterly data for the industries and their sub-sectors. Time series for the index of market services industry sectors and sub-sectors are available on [StatsWales](#).

**Chart 3.1: Market services Sub-indices – 1999 Q1 to 2020 Q1, (2016=100)**



Source: Short-term output indicators, WG and ONS

#### Distribution

The Index of Distribution fell during the 2008-09 recession in Wales and the UK, but both have seen an overall increase since then. Comparing the year ending March 2020 to the previous year, the Index of Distribution increased by 1.1% in Wales and by 0.9% in the UK.

#### Transport

There was a significant fall in activity in Wales and across the UK during the recession, with the recovery only recently reaching pre-recession peaks. There was a sharp increase in 2019 Q1 and Q2, however most of this largely reflects re-classification of business activity and a change in the

sample, rather than an actual increase in activity. In Wales, the Index of Transport increased by 9.5% in the last year, comparing to a fall of 0.1% for the UK as a whole.

### **Accommodation and Food Service Activities**

Though trends in Wales are more volatile than for the UK as a whole, the Index of Accommodation and Food Service Activities in Wales has tracked the UK trend over the long term. In the latest year, activity in Wales decreased by 2.1% and the UK index decreased by 1.6%.

### **Information and Communication Activities**

Long term trends in Information and Communication Activities are very similar for Wales and the UK. In the latest year, the Index of Information and Communication Activities fell by 8.1% in Wales and increased by 3.6% in the UK.

### **Financial and Insurance Activities**

Since 1999, the Index of Finance and Insurance Activities for Wales has increased with a broadly stable upward trend. For the UK the sector increased up to 2008 and, after a decrease to 2010, has changed relatively little since. In the latest year, the index has fallen by 2.8% in Wales and by 2.0% in the UK.

### **Real Estate Activities**

Trends in Real Estate Activities have been very different for Wales and the UK. In Wales, the index was broadly flat from 1999 to 2007, before falling substantially during the recession. After a period of recovery the index has been remained broadly the same since 2015. By contrast, at a UK level Real Estate Activities have increased at a stable rate over the whole period. Over the year, activity has fallen by 1.5% in Wales and increased by 0.8% in the UK.

### **Professional, Scientific and Technical Activities**

The Index of Professional, Scientific and Technical Activities for Wales has followed a similar trend to the UK since 1999. There was a large increase in Wales from 2018 Q3 to 2018 Q4 which can be traced back to sample changes in two of the Index's sub-sectors. In the latest year, the index increased by 10.5% in Wales and by 2.3% in the UK.

### **Administrative and Support Service Activities**

Administrative and Support Service Activities have increased almost in parallel in Wales and the UK since 1999. Activity in Wales has fallen by 0.9% in the latest year, compared to an increase of 1.6% for the UK.

### **Other Services**

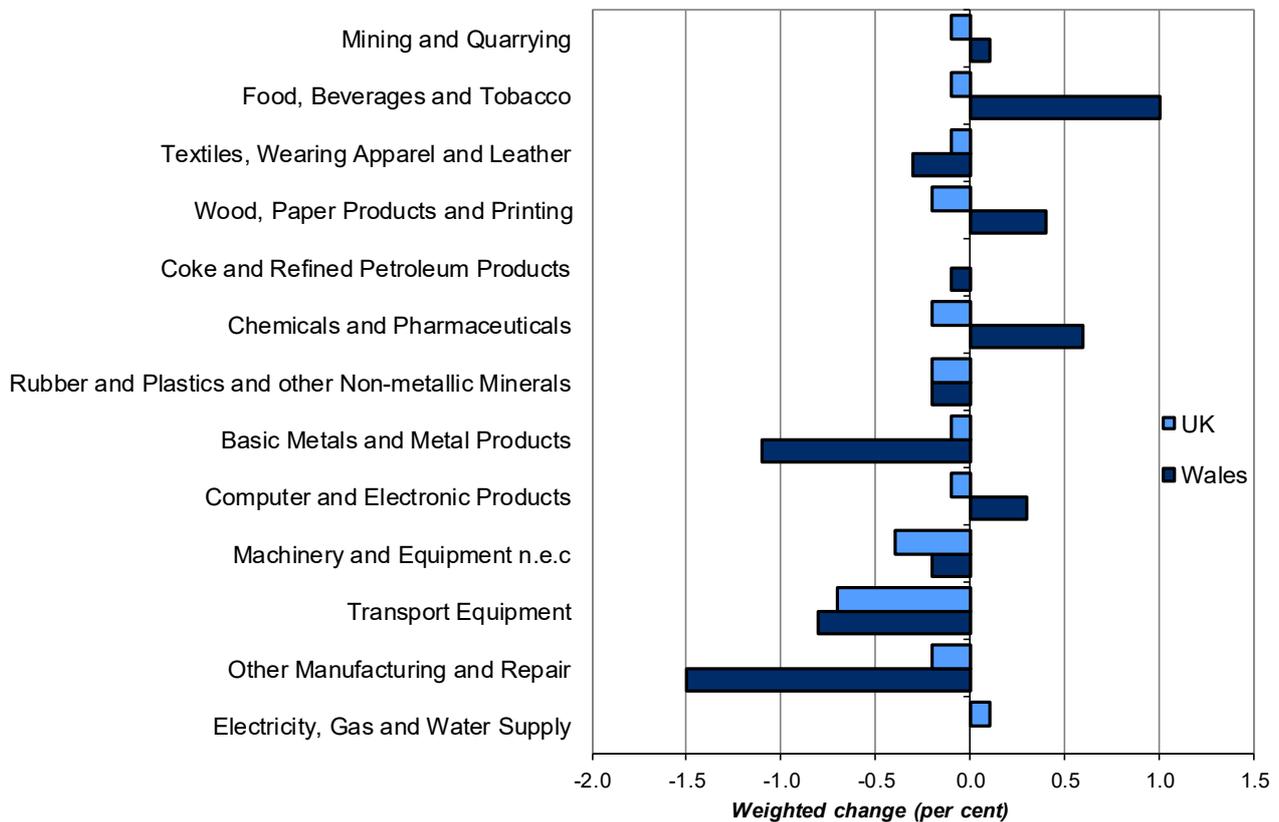
Since 1999, the Index of Other Services for Wales has been volatile, with a decreasing trend overall. The UK trend, by contrast, has been of a relatively stable increase. In the latest year, the index has fallen by 5.5% in Wales and by 0.7% in the UK.

## 4. Index of Production: latest changes

This section examines the outputs of each industry within the index of production and their respective impact on the overall index.

Chart 4.1 shows the impact of changes in the sub-sectors on the index as a whole for the latest year (based on weighted data).

**Chart 4.1: Contribution to overall percentage change, latest four quarters compared with previous four quarters**

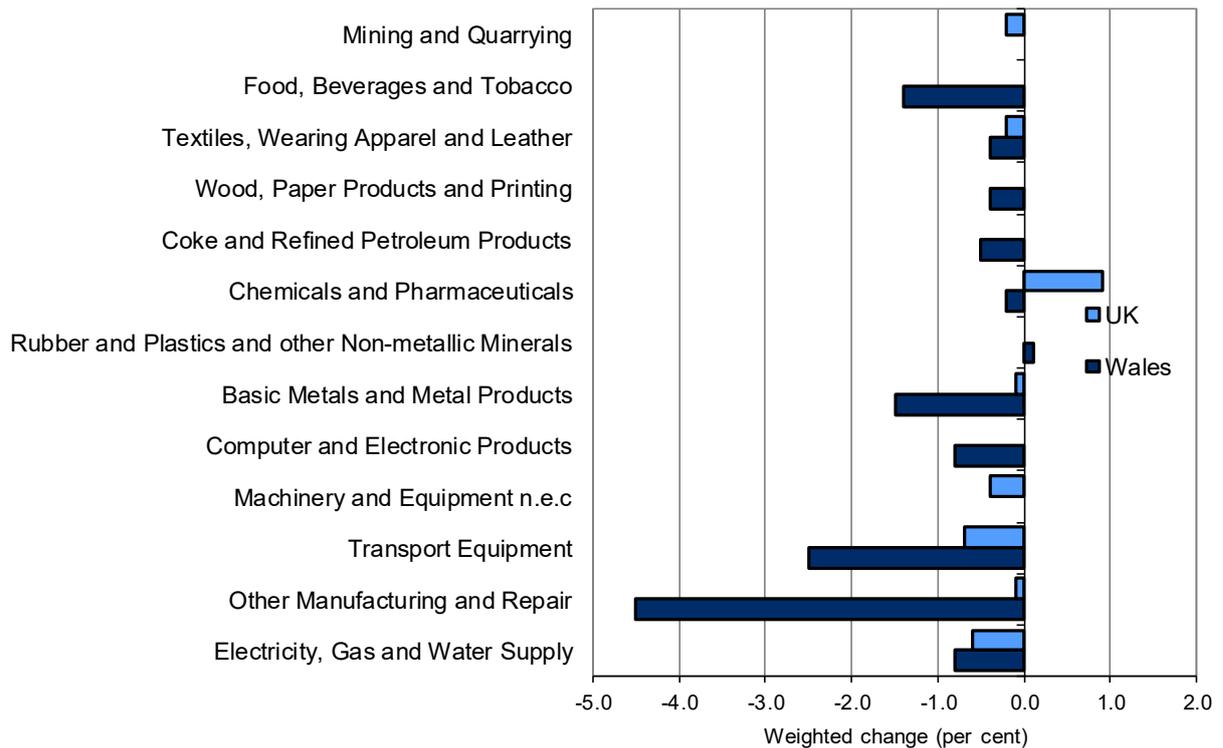


Source: Short-term Output Indicators, WG and ONS

Five of the thirteen industries within the Welsh index of production have grown in output over the latest four quarters, seven have declined and one was unchanged (to one decimal place). Food, Beverages and Tobacco showed the largest positive change overall in Wales, whilst Other Manufacturing and Repair has shown the largest negative weighted change.

For the UK, one of the thirteen industries have grown in output over the latest four quarters, eleven have declined, and one was unchanged (to one decimal place). (Chart 4.1).

**Chart 4.2: Contribution to quarterly percentage change, current quarter compared with previous quarter**



Source: *Short-term Output Indicators, WG and ONS*

Chart 4.2 shows a comparison of the current quarter with the previous quarter. Rubber and Plastics and other Non-metallic Minerals was the only industry to show growth over the quarter within the Welsh Index of Production. Ten industries have declined and two remained unchanged (to one decimal place. The largest fall over the quarter was in Other Manufacturing and Repair.

For the UK, the only growth was in Chemicals and Pharmaceuticals. Seven industries declined, while five of the nine industries remained unchanged (to one decimal place).

Estimates for changes in Wales are typically larger than for the UK, whether positive or negative, reflecting the smaller sample sizes in Wales which result in less stable series. This is particularly the case in the short term but longer term trends are regarded as reliable.

## 5. Index of Production: industry trends

This section shows changes in output since 1999 for the three industries which comprise the Index of Production. The Welsh results can be more volatile than for the UK equivalents because of smaller survey samples.

Table B1 in [Appendix B](#) provides the latest annual and quarterly data for the industries and their sub-sectors. Time series' for the index of production and its sub-indices are available on [StatsWales](#).

**Chart 6.1: Production Sub-indices – 1999 Q1 to 2020 Q1, (2016=100)**



Source: Short-term output indicators, WG and ONS

### Index of Mining and Quarrying

Activity in Mining and Quarrying was relatively flat in Wales over the long term to 2016, when there was a sharp decrease, and has stayed steady since. For the UK as a whole, output fell at a steady rate until 2011 and subsequently plateaued. Comparing the year ending March 2020 to the previous year, the Index of Mining and Quarrying increased by 19.2% in Wales and fell by 1.0% in the UK.

### Index of Manufacturing

There was growth in the Index of Manufacturing in Wales until the recession, which brought a sharp fall across Wales and the UK. The subsequent recovery was stronger in Wales than in the UK. The manufacturing industry is the main driver of the production industries as it accounts for 81.9% of the Index of Production. In the latest year, activity has fallen by 2.2% in Wales and by 3.1% in the UK.

### Index of Electricity, Gas and Water Supply

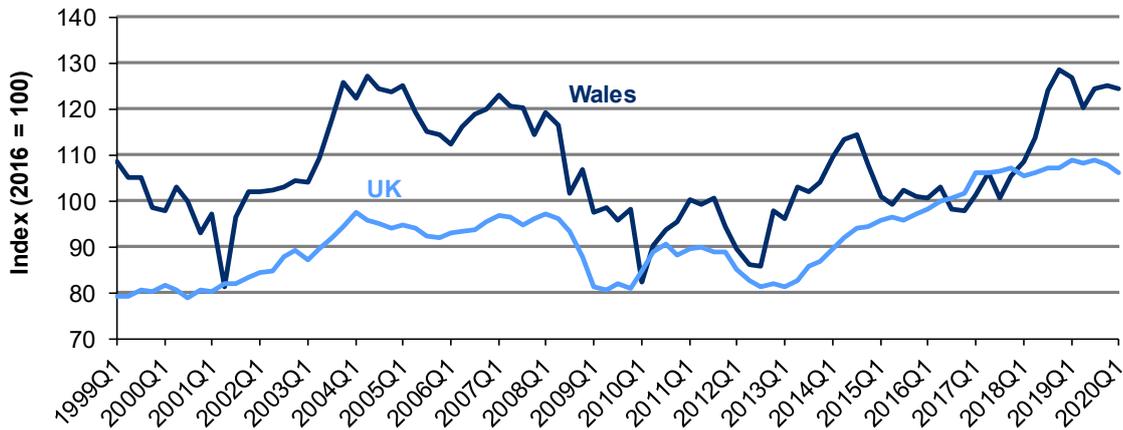
The Index of Electricity, Gas and Water Supply in Wales is volatile. There was a sharp increase in 2012 Q2 due to the opening of a new power station in Pembroke. Output has generally decreased since the end of 2016, which can be attributed to the downgrading in operations of Aberthaw power station. The UK index has steadily increased since 1999 with a fall between 2008 and 2009 due to the recession. Over the year, the index has increased by 0.2% in Wales and by 0.4% in the UK.

## 6. Index of Construction

Around the recession of 2008-09, both Wales and the UK saw a fall in construction output, with Wales seeing a larger fall than the UK. Since then, output has gradually increased overall and has recently reached pre-recession levels.

A time series for the index of construction is available on [StatsWales](#).

**Chart 6.1: Index of Construction**



Source: Short-term output indicators, WG and ONS

## 7. Key Quality Information

### 7.1 Relevance

This release provides estimates of output in market services, production and construction industries for Wales and the UK. The UK production estimates are taken from the Quarterly National Accounts release from the ONS, the construction estimates are taken from the ONS monthly construction release and the UK market services estimates are taken from the Quarterly National Accounts Index of Services release from the ONS. These statistics are used by the Welsh Government to monitor the output for these industries in the Welsh economy as well as providing comparisons with the UK. They are also used by other public sector organisations, businesses, academia and private individuals to identify the key trends in production and construction output for Wales.

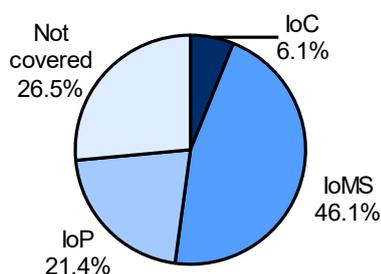
The output indices show the quarterly movements in gross output of the production, construction and market services sectors in Wales. Gross output is used as a proxy for Gross Value Added (GVA), measured by a variety of data sources since GVA cannot currently be measured to a sufficient timeliness for the production of short term indices.

The indices are estimated using a combination of:

- Directly collected data from existing monthly surveys.
- A quarterly top up of specifically Welsh data from large inter-regional businesses.
- Post stratification methodology.
- Volume data from a number of different sources.
- Directly collected data from a small additional quarterly survey sent to wholly Welsh finance businesses.

The majority of the data comes from the ONS Monthly Business Survey. The results from this survey are used to calculate the relative movements of the individual series' and these in turn are weighted together to produce the overall index. The weights are derived from the distribution of GVA for Wales using the Regional Accounts. Both volume and sales data are used to compile the index. GVA is a measure of economic activity at basic prices, which includes taxes (less subsidies) on production but excludes taxes (less subsidies) on products. The sales data are deflated to 2010 prices using the deflators produced for the UK index.

The following pie chart represents the percentage that the Index of Market Services, Index of Production and Index of Construction for Wales have in the overall Regional GVA by industry, based on 2016 GVA in line with the STOI methodology. Industries not covered include agriculture and fishing industries and the public sector.



Source: Short Term Output Indicators, Welsh Government and ONS

## 7.2 Accuracy

Due to the impact of COVID-19, some response rates for this quarter are much lower than the target response rate, as well as the response rates for the same quarter last year. Because of this, the low sample sizes could cause volatility and so estimates should be treated with caution.

**Table 7.1: Comparison of response rates from additional Welsh businesses**

	Target response	2020 Q1 response	2019 Q1 response
Index of Production	77%	52%	92%
Distribution	87%	77%	85%
Transport	77%	48%	95%
Accommodation and Food Service Activities	75%	50%	89%
Information and Communication Activities	77%	62%	86%
Financial and Insurance Activities	75%	66%	78%
Real Estate Activities	50%	25%	100%
Professional, Scientific and Technical Activities & Administrative and Support Service Activities	74%	78%	78%
Other Services	50%	33%	100%

Estimates are subject to revision. Estimates for individual quarters fluctuate due to random sampling error and therefore it is recommended that emphasis is placed on changes in the average of the latest four quarters compared to the average of the previous four quarters for more volatile series'. The entire time series is open to revisions arising from changes in the seasonally adjusted series from the addition of a new data point, and changes to the last 15 months turnover data from late or revised survey returns. [For more information on our revisions policy see our website](#). Table 7.2 shows the revisions made (in index points) to the previous quarter's estimates.

**Table 7.2: Comparison of Current and Previous Estimates of 2020 Quarter 1 <sup>1</sup>**

	Current	Previous	Revision
Index of Production	104.3	104.4	-0.1
Manufacturing	109.3	109.1	0.2
Mining and Quarrying	66.8	66.6	0.2
Electricity, Gas & Water	82.5	83.8	-1.3
Construction	125.0	125.8	-0.8
Index of Market Services	106.9	107.2	-0.3
Distribution	112.6	113.3	-0.7
Transport	123.3	123.1	0.2
Accommodation and Food Service Activities	95.5	96.2	-0.7
Information and Communication Activities	108.5	109.0	-0.5
Financial and Insurance Activities	105.6	105.2	0.5
Real Estate Activities	101.7	101.7	0.1
Professional, Scientific and Technical Activities	128.3	128.6	-0.2
Administrative and Support Service Activities	113.1	115.3	-2.1
Other Services	79.0	78.9	0.1

*Source: Short-term output indicators, WG and ONS*

<sup>1</sup> Numbers in the table have been rounded to one decimal place, therefore there may be slight discrepancies between the constituent items and the overall revision shown.

As described in section 7.5, experimental GDP statistics, which are conceptually similar to these Short Term Output Indicators, are now available for Wales. Comparisons show that the STOI indices of construction and production exhibit similar long-term trends to the equivalent sectors in the GDP statistics. This is particularly the case from 2016 onwards. However, there is significant short-term volatility in both series, particularly at sub-sector levels, meaning that over shorter periods STOI and GDP do not always give similar results. Currently, a market services sector equivalent to STOI is not available through GDP.

### **7.3 Timeliness and punctuality**

This release is published quarterly. It is the earliest official indicator of the performance of the Welsh production and construction industries other than the UK figures which are produced by the Office for National Statistics monthly. There is approximately a 14 week lag between publication and the period to which the release refers to.

### **7.4 Accessibility and clarity**

This First Release and the headline statistics are available on the [Welsh Government Statistics](#) website. Additional information on all three indices is available on [StatsWales](#), in addition to the data from 1998. [A Summary Quality Report containing information on the quality of the Index of Production and Index of Construction](#) as well as a summary of methods used to compile the output is available on our website. The equivalent [report for the Index of Market Services](#) can also be found on our website.

### **7.5 Comparability and coherence**

The Office for National Statistics (ONS) have recently developed the [official statistics for GDP for Wales and the English regions](#). The new statistics, which are based almost exclusively on VAT records, are conceptually similar to STOI – they estimate changes in the output of businesses over a period of time.

For the first publication of these statistics, we published a [statistical headline](#) which draws out the key points for Wales, and a [Chief Statistician's update](#) which describes the new statistics in some more detail. The GDP statistics have been categorised as 'experimental' for the time being.

The GDP data have a more comprehensive coverage of the economy and are comparable with the other countries and regions of the UK. ONS also believe that the GDP data are likely to be a better reflection of the *type* of business activity taking place regionally. The short term output indicators remain the fastest available measures for Wales however, with a three to four month lag from the reference period, compared with an approximately six month lag for GDP.

Here we compare the annual percentage change for the STOI and GDP estimates in both the construction and production sectors from 2018Q2. We are comparing the percentage changes as this is currently the only comparable data available. Currently, a market services sector equivalent to STOI is not available through GDP.

**Table 7.3: Indices of production and construction. Percentage change, quarter on same quarter a year ago, for GDP and STOI**

	Production			Construction		
	GDP	STOI	Difference <sup>(1)</sup>	GDP	STOI	Difference <sup>(1)</sup>
2018 Q2	3.0	0.5	2.5	-4.2	7.5	-11.7
2018 Q3	1.5	-0.4	1.9	4.3	23.4	-19.1
2018 Q4	-0.2	-1.9	1.7	6.8	22.9	-16.1
2019 Q1	1.0	-1.5	2.5	9.6	18.4	-8.8
2019 Q2	-0.8	-5.8	5.0	3.3	6.6	-3.3
2019 Q3	-1.4	-0.9	-0.5	-0.6	0.3	-0.9

Source: Short-term output indicators, WG and ONS; Quarterly regional GDP, ONS

(1) Percentage point difference between STOI and GDP

Like other economic indicators, both series' can be volatile on a quarterly basis, making interpreting short-term changes difficult.

For the production sector:

2019 Q2 showed the largest difference between the two series with a difference of 5.0 percentage points. The other quarters show a smaller range of differences; between 0.5 and 2.5 percentage points.

For the construction sector:

There were larger differences between the two series' in the construction sector in most quarters compared to the production sector. The largest difference was in 2018 Q3 with the percentage difference between STOI and GDP at 19.1 percentage. The latest quarter shows a 0.9 percentage point difference.

## We want to hear from you

We want to hear about how you use STOI and your views on its strengths and limitations in light of the new statistics on GDP for Wales. This will help inform a decision about whether both series will be needed indefinitely. Please email [economic.stats@gov.wales](mailto:economic.stats@gov.wales) with your thoughts. ONS will also carry out a consultation to assess the quality and suitability of the new GDP statistics.

For the time being we will continue to publish STOI alongside GDP to help inform our understanding of their differences and similarities, and their relative strengths and limitations. In theory the benefits of GDP are that they are based on a much larger amount of data, they have full coverage of the economy and, in general, are thought to more accurately classify business activity. STOI meanwhile, has more stable seasonal adjustment (though GDP seasonal adjustment will improve over time) and is more timely.

The UK and Wales estimates in this release are calculated by the Office for National Statistics (ONS) and are comparable as they use the same methodology. Methodologies relating to the components within the Index of Production and Index of Construction are available from the background information tab on the release webpage. [The Scottish Government publishes a GDP measure](#) in place of short-term output indicators. The Northern Ireland Assembly publishes the

[Northern Ireland Composite Economic Index \(NICEI\)](#), which is also not directly comparable to the Welsh short term output indicators.

Due to difficulties collecting historical data from contributors from earlier time periods, the time series begins in 1998 but early quarters and initial years include a proportion of estimated data. More information is given in the Summary Quality Reports for [Index of Market Services](#) and the [Index of Production and Construction](#)

Throughout the release references to the longer term refer to the latest four quarters compared to the previous four quarters, and references to the short term refer to the current quarter compared to the previous quarter. It is recommended that when looking at the growth rates of volatile series, users should focus on the percentage change over the longer term.

## **7.6 National Statistics status**

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the Code of Practice for Official Statistics. They are awarded National Statistics status following an assessment by the UK Statistics Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate. The designation of these statistics as National Statistics was confirmed in February 2012 following a [full assessment against the Code of Practice](#).

Since the latest review by the Office for Statistics Regulation, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- Eliminated un-necessary tables from bulletin as they are freely available on [StatsWales](#)
- Combined the two releases into one to improve user experience
- Improved visuals and commentary of long terms trends for sub-sectors
- Included comparisons with other conceptually similar statistics such as GDP

It is Welsh Government's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

## **7.7 Well-being of Future Generations Act (WFG)**

The Well-being of Future Generations Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. The Act puts in place seven well-being goals for

Wales. These are for a more equal, prosperous, resilient, healthier and globally responsible Wales, with cohesive communities and a vibrant culture and thriving Welsh language. Under section (10)(1) of the Act, the Welsh Ministers must (a) publish indicators (“national indicators”) that must be applied for the purpose of measuring progress towards the achievement of the Well-being goals, and (b) lay a copy of the national indicators before the National Assembly. The 46 national indicators were laid in March 2016.

Information on the indicators, along with narratives for each of the well-being goals and associated technical information is available in the [Well-being of Wales report](#).

Further information on the [Well-being of Future Generations \(Wales\) Act 2015](#).

The statistics included in this release could also provide supporting narrative to the national indicators and be used by public services boards in relation to their local well-being assessments and local well-being plans.

## **7.8 Further details**

### **Links**

This document is available at <https://gov.wales/short-term-output-indicators>

Previous publications of this statistical release contained more extensive tables in Appendix B. All the information contained within these tables can now be found on [StatsWales](#).

### **Next update**

October 2020 (Statistical First Release for 2020 Q2)

### **We want your feedback**

We welcome any feedback on any aspect of these statistics which can be provided by email to [economic.stats@gov.wales](mailto:economic.stats@gov.wales).

### **Open Government Licence**

All content is available under the [Open Government Licence v3.0](#), except where otherwise stated.



## Appendix A: Sections of Standard Industrial Classification<sup>1</sup> in Index of Production, Index of Construction and Index of Market Services

**Table A1: Sections and sub-sections in Index of Production**

SIC 2007	Description
B	Mining and Quarrying
C	Manufacturing
CA (10-12)	<i>Food products, beverages and tobacco</i>
CB (13-15)	<i>Textiles, wearing apparel and leather products</i>
CC (16-18)	<i>Wood and paper products, and printing</i>
CD (19)	<i>Coke and refined petroleum products</i>
CECF (20-21)	<i>Chemicals and pharmaceuticals</i>
CG (22-23)	<i>Rubber &amp; plastics products, &amp; other non-metallic minerals</i>
CH (24-25)	<i>Basic metals and metal products</i>
CICJ (26-27)	<i>Computer and electronic products</i>
CK (28)	<i>Machinery and equipment n.e.c.</i>
CL (29-30)	<i>Transport equipment</i>
CM (31-33)	<i>Other manufacturing and repair</i>
CIJKL	<i>Engineering and allied industries</i>
CCGM	<i>Other manufacturing</i>
DE	Electricity, gas and water supply

**Table A2: Sections in Index of Construction**

SIC 2007	Description
F	Construction

**Table A3: Sections and sub-sections in Index of Market Services**

SIC 2007	Description
G	Distribution
45	<i>Wholesale, Retail Sale &amp; Repair of Motor Vehicles</i>
46	<i>Wholesale Trade except Motor Vehicles</i>
47	<i>Retail Sales except Motor Vehicles</i>
H	Transportation and Storage
49-51	<i>Land, water and air transport</i>
52-53	<i>Warehousing and support activities for transportation; postal and courier activities</i>
I	Accommodation and Food Service Activities
55	<i>Accommodation</i>
56	<i>Food and beverage service activities</i>
J	Information and Communication
JA (58-60)	<i>Publishing, audio-visual and broadcasting activities</i>
JB (61)	<i>Telecommunications</i>
JC (62-63)	<i>Information technology and other information activities</i>
K	Financial and Insurance Activities
L	Real Estate Activities
L x OOD	<i>Real Estate excluding Owner Occupied Dwellings</i>
OOD	<i>Owner Occupied Dwellings</i>
M	Professional, Scientific and Technical Activities
N	Administrative and Support Service Activities
R-T	Other Services

<sup>1</sup> See [UK Standard Industrial Classification of Economic Activities 2007](#) for full category descriptions.

## Appendix B: reference table

**Table B1: Index of Production and Index of Construction for Wales <sup>(1)</sup>**

											<i>SEASONALLY ADJUSTED <sup>(2)</sup> : 2016 = 100</i>			
<b>2007 STANDARD INDUSTRIAL CLASSIFICATION</b>		Index	<b>Annual Indices</b>		<b>2018</b>		<b>2019</b>			<b>2020</b>	<b>Percentage change: Latest</b>			
Section	Description	Weights <sup>(3)</sup>	2018	2019	Q4	Q1	Q2	Q3	Q4	Q1	4 qtrs to previous 4 qtrs		qtr to previous qtr	
											Wales	UK <sup>(4)</sup>	Wales	UK <sup>(4)</sup>
<b>B-E</b>	<b>PRODUCTION INDUSTRIES</b>	<b>1000</b>	<b>99.4 (r)</b>	<b>99.0</b>	<b>97.7 (r)</b>	<b>97.4 (r)</b>	<b>95.2 (r)</b>	<b>99.0 (r)</b>	<b>104.3 (r)</b>	<b>90.7</b>	<b>-1.7</b>	<b>-2.3</b>	<b>-13.0</b>	<b>-1.5</b>
<b>B</b>	<b>Mining and Quarrying</b>	<b>11</b>	<b>57.3 (r)</b>	<b>68.9</b>	<b>56.3 (r)</b>	<b>64.5 (r)</b>	<b>73.3 (r)</b>	<b>70.9 (r)</b>	<b>66.8 (r)</b>	<b>69.1</b>	<b>19.2</b>	<b>-1.0</b>	<b>3.4</b>	<b>-2.1</b>
<b>C</b>	<b>Manufacturing</b>	<b>819</b>	<b>103.5 (r)</b>	<b>103.2</b>	<b>103.1 (r)</b>	<b>101.9 (r)</b>	<b>98.4 (r)</b>	<b>103.4 (r)</b>	<b>109.3 (r)</b>	<b>93.7</b>	<b>-2.2</b>	<b>-3.1</b>	<b>-14.2</b>	<b>-1.1</b>
CA	Food, Beverages and Tobacco	144	110.9 (r)	124.7	114.9 (r)	121.3 (r)	125.4 (r)	126.5 (r)	125.6 (r)	112.9	7.4	-0.6	-10.1	-0.3
CB	Textiles, Wearing Apparel and Leather	15	141.7 (r)	121.3	146.8	114.3	120.1 (r)	126.4	124.2	87.2	-17.4	-3.7	-29.7	-8.5
CC	Wood, Paper Products and Printing	65	110.6 (r)	123.5	115.4	124.9	119.3	122.6	127.0	118.7	6.1	-3.0	-6.6	-0.6
CD	Coke and Refined Petroleum Products	48	92.1 (r)	92.1	95.1	86.2	93.3	88.1	100.9	87.8	-2.2	-1.4	-13.0	-4.1
CE-CF	Chemicals and Pharmaceuticals	91	100.9 (r)	115.5	105.0	118.6 (r)	109.7 (r)	114.1	119.5	116.8	7.2	-1.7	-2.3	8.8
CG	Rubber and Plastics and other Non-metallic Minerals	71	98.2 (r)	91.7	97.5 (r)	91.2 (r)	89.7 (r)	91.1	94.5 (r)	96.5	-2.7	-3.9	2.1	0.7
CH	Basic Metals and Metal Products	118	95.3 (r)	90.3	94.9 (r)	96.5 (r)	89.7 (r)	88.3 (r)	86.8 (r)	70.7	-12.3	-1.4	-18.5	-0.8
CI-CJ	Computer and Electronic Products	74	106.8 (r)	113.2	104.5 (r)	111.9 (r)	107.1 (r)	110.6 (r)	123.4 (r)	109.4	4.2	-0.8	-11.4	-0.5
CK	Machinery and Equipment n.e.c	21	105.8 (r)	93.2	105.6	102.3	89.0	87.8 (r)	93.5	92.1	-12.7	-8.4	-1.4	-8.7
CL	Transport Equipment	180	106.6 (r)	109.0	106.5 (r)	111.8 (r)	110.1 (r)	108.6 (r)	105.4 (r)	87.7	-4.7	-6.8	-16.8	-7.2
CM	Other Manufacturing and Repair	174	98.8 (r)	77.5	89.5 (r)	65.0 (r)	56.9	82.3	106.0 (r)	72.9	-11.3	-3.3	-31.3	-1.2
CIJKL	Engineering and Allied Industries	275	106.6 (r)	108.9	105.9 (r)	111.1 (r)	107.6 (r)	107.5 (r)	109.3 (r)	93.9	-2.9	-6.6	-14.1	-7.4
CCGM	Other Manufacturing	310	101.1 (r)	90.4	96.8 (r)	83.6 (r)	77.5	92.7 (r)	107.8 (r)	87.9	-5.0	-3.4	-18.4	-0.4
<b>DE</b>	<b>Electricity, Gas and Water Supply <sup>(5)</sup></b>	<b>170</b>	<b>82.4 (r)</b>	<b>80.4</b>	<b>74.7 (r)</b>	<b>78.3 (r)</b>	<b>80.9 (r)</b>	<b>79.8 (r)</b>	<b>82.5 (r)</b>	<b>77.6</b>	<b>0.2</b>	<b>0.4</b>	<b>-6.0</b>	<b>-2.8</b>
<b>F</b>	<b>CONSTRUCTION</b>	<b>1000</b>	<b>118.6 (r)</b>	<b>124.1</b>	<b>128.5</b>	<b>126.8 (r)</b>	<b>120.2 (r)</b>	<b>124.3 (r)</b>	<b>125.0 (r)</b>	<b>124.5</b>	<b>0.2</b>	<b>0.4</b>	<b>-0.4</b>	<b>-1.7</b>

*Source: Short Term Output Indicators, Welsh Government and ONS*

- (1) Revisions to the series are normally made each quarter to take account both of more recent information and improved seasonal factors
- (2) All series are seasonally adjusted except CB, CC, CD and CK.
- (3) Where the sections are highlighted in bold; the weights sum to the Index of Production (IoP = 1,000). Those sub-sections whose weights are not highlighted sum to the individual section e.g the sum of the weights for sub-sections CC, CG and CM sum to Section CCGM. There may be some apparent slight discrepancies between the constituent items and the total due to rounding.
- (4) UK figures for Production as published by the Office for National Statistics on 30 June 2020 and UK figures for Construction as published by the Office for National Statistics on 12 June 2020.
- (5) Relates to SIC 2007 Sections D - Electricity, Gas and Air Conditioning Supply and Section E - Water Supply; Sewerage, Waste Management and Remediation Activities.
- (r) Data revised since last publication

**Table B2: Index of Market Services for Wales <sup>(1)</sup>**

 SEASONALLY ADJUSTED <sup>(2)</sup>: 2016 = 100

2007 STANDARD INDUSTRIAL CLASSIFICATION		Index Weights <sup>(3)</sup>	Annual Indices		2018	2019				2020	Percentage change: Latest			
			2018	2019	Q4	Q1	Q2	Q3	Q4	Q1	4 qtrs to previous 4 qtrs		qtr to previous qtr	
Section	Description										Wales	UK <sup>(4)</sup>	Wales	UK <sup>(4)</sup>
<b>IoMS</b>	<b>MARKET SERVICES</b>	<b>1000</b>	<b>105.3</b>	<b>107.8</b> (r)	<b>107.0</b>	<b>108.2</b> (r)	<b>108.6</b>	<b>107.3</b> (r)	<b>106.9</b> (r)	<b>103.5</b>	<b>0.1</b>	<b>0.8</b>	<b>-3.2</b>	<b>-2.0</b>
<b>G</b>	<b>Distribution</b>	<b>210</b>	<b>109.0</b>	<b>112.2</b> (r)	<b>110.0</b> (r)	<b>111.7</b> (r)	<b>113.9</b> (r)	<b>110.7</b> (r)	<b>112.6</b> (r)	<b>108.6</b>	<b>1.1</b>	<b>0.9</b>	<b>-3.6</b>	<b>-3.1</b>
45	Wholesale, Retail Sale & Repair of Motor Vehicles	187	109.3	117.8 (r)	110.0 (r)	120.6 (r)	123.5	110.1	117.0 (r)	115.0	3.0	-1.0	-1.7	-9.9
46	Wholesale Trade except Motor Vehicles	270	119.8	132.7 (r)	124.4	127.4	130.7	132.7	139.9 (r)	129.3	8.5	1.2	-7.6	-2.5
47	Retail Sales except Motor Vehicles	543	103.5	100.1 (r)	102.8	100.9 (r)	102.2 (r)	99.9 (r)	97.5 (r)	96.1	-3.9	1.3	-1.4	-1.5
<b>H</b>	<b>Transport</b>	<b>65</b>	<b>106.6</b>	<b>131.0</b> (r)	<b>118.7</b> (r)	<b>134.1</b> (r)	<b>138.6</b> (r)	<b>128.1</b>	<b>123.3</b> (r)	<b>115.5</b>	<b>9.5</b>	<b>-0.1</b>	<b>-6.3</b>	<b>-4.1</b>
49-51	Land, Water & Air Transport	482	105.1	109.2 (r)	117.8 (r)	103.0 (r)	111.0	112.6	110.0 (r)	102.4	2.8	-1.6	-6.9	-7.3
52,53	Warehousing & Transport Support Activities; Postal & Courier Activities	518	109.1	152.6 (r)	120.8 (r)	164.2 (r)	165.6 (r)	143.8	136.9 (r)	128.8	14.8	1.6	-5.9	-0.6
<b>I</b>	<b>Accommodation &amp; Food Service Activities</b>	<b>76</b>	<b>100.5</b>	<b>102.1</b> (r)	<b>97.2</b> (r)	<b>104.6</b> (r)	<b>105.4</b> (r)	<b>102.9</b> (r)	<b>95.5</b> (r)	<b>88.7</b>	<b>-2.1</b>	<b>-1.6</b>	<b>-7.2</b>	<b>-10.4</b>
55	Accommodation	431	104.5	102.0 (r)	99.0 (r)	102.0 (r)	102.2 (r)	104.0 (r)	99.9 (r)	88.2	-4.2	-3.2	-11.7	-14.2
56	Food & Beverage Service Activities	569	97.4	102.2 (r)	95.9 (r)	106.5 (r)	107.8 (r)	102.1 (r)	92.2 (r)	89.0	-0.4	-0.9	-3.5	-8.8
<b>J</b>	<b>Information &amp; Communication Activities</b>	<b>61</b>	<b>117.7</b>	<b>106.7</b> (r)	<b>113.1</b> (r)	<b>109.9</b> (r)	<b>104.6</b> (r)	<b>103.9</b> (r)	<b>108.5</b> (r)	<b>105.0</b>	<b>-8.1</b>	<b>3.6</b>	<b>-3.2</b>	<b>-2.1</b>
JA	Publishing, Audio Visual & Broadcasting Activities	106	123.2	109.7 (r)	120.2 (r)	98.7 (r)	116.4 (r)	106.0	117.7 (r)	118.8	-4.2	3.3	0.9	-7.7
JB	Telecommunications	487	134.9	122.4 (r)	128.5 (r)	124.7 (r)	119.7 (r)	122.6 (r)	122.7 (r)	118.3	-8.4	-1.5	-3.6	0.6
JC	Information Technology & Other Information Activities	407	95.6	87.1 (r)	92.9	95.1 (r)	83.3 (r)	80.9 (r)	89.1 (r)	85.6	-8.8	6.3	-3.9	-0.4
<b>K</b>	<b>Financial &amp; Insurance Activities</b>	<b>94</b>	<b>105.9</b>	<b>103.9</b> (r)	<b>106.8</b>	<b>103.3</b> (r)	<b>102.0</b>	<b>104.5</b> (r)	<b>105.6</b> (r)	<b>100.9</b>	<b>-2.8</b>	<b>-2.0</b>	<b>-4.5</b>	<b>0.4</b>
<b>L</b>	<b>Real Estate Activities</b>	<b>266</b>	<b>103.4</b>	<b>103.3</b> (r)	<b>104.6</b>	<b>104.9</b>	<b>103.7</b>	<b>103.0</b> (r)	<b>101.7</b>	<b>101.9</b>	<b>-1.5</b>	<b>0.8</b>	<b>0.2</b>	<b>0.3</b>
LXOOD	Real Estate Activities excluding OOD	153	108.5	114.8 (r)	113.6 (r)	122.2 (r)	115.8 (r)	111.8 (r)	109.6 (r)	110.3	-1.2	1.2	0.6	-0.1
OOD	Owner Occupied Dwellings	847	102.5	101.2 (r)	103.0	101.8	101.6	101.4	100.3	100.4	-1.6	0.6	0.1	0.4
<b>M</b>	<b>Professional, Scientific &amp; Technical Activities</b>	<b>81</b>	<b>107.2</b>	<b>123.4</b> (r)	<b>119.3</b> (r)	<b>119.8</b> (r)	<b>122.0</b> (r)	<b>123.4</b> (r)	<b>128.3</b> (r)	<b>122.6</b>	<b>10.5</b>	<b>2.3</b>	<b>-4.4</b>	<b>-0.4</b>
<b>N</b>	<b>Administrative &amp; Support Service Activities</b>	<b>70</b>	<b>109.9</b>	<b>108.9</b> (r)	<b>110.5</b> (r)	<b>105.6</b> (r)	<b>105.4</b> (r)	<b>111.6</b> (r)	<b>113.1</b> (r)	<b>104.8</b>	<b>-0.9</b>	<b>1.6</b>	<b>-7.4</b>	<b>-3.0</b>
<b>RST</b>	<b>Other Services</b>	<b>77</b>	<b>88.8</b>	<b>85.3</b> (r)	<b>86.2</b> (r)	<b>87.2</b> (r)	<b>89.2</b> (r)	<b>85.7</b> (r)	<b>79.0</b> (r)	<b>80.6</b>	<b>-5.5</b>	<b>-0.7</b>	<b>1.9</b>	<b>-3.9</b>

(1) Revisions to the series are normally made each quarter to take account both of more recent information and improved seasonal factors

(2) All series are seasonally adjusted except JC and K.

(3) Where the sections are highlighted in bold; the weights sum to the Index of Market Services (IoMS = 1,000). There may be some apparent slight discrepancies between the constituent items and the total due to rounding.

(4) UK figures as published by the Office for National Statistics on 30 June 2020.

(r) Data revised since last publication