



## Short-Term Output Indicators for Wales: October to December 2020

29 April 2021  
SFR 119/2021

The short-term output indicators within this release relate to October to December 2020 which was during the coronavirus (COVID-19) pandemic. Annual estimates are also included which relate to approximately three months prior to, and nine months of the pandemic period. Care should be taken when interpreting these indices – estimates for individual quarters can fluctuate and it is recommended that emphasis is based on longer term trends. Estimates for Wales are typically more volatile than for the UK and therefore comparisons between Wales and the UK should be treated with caution.

### 1. Background and Key Points

All three indices decreased on an annual basis (the latest four quarters compared to the previous four quarters) for both Wales and the UK. On a quarterly basis, the indices showed small increases. This follows the largest quarterly decreases on record in April to June 2020 (which included part of the initial lockdown period) and the subsequent largest increases on record during July to September 2020 (reflecting the easing of restrictions over the summer months).

#### Index of Market Services

- On an annual basis, the index of market services **decreased** by 8.4% in Wales and by 9.8% the UK. These are the annual largest decreases since the series began.
- Compared to the previous quarter, the index of market services **increased** slightly in Wales and decreased slightly in the UK.

#### Index of Production

- On an annual basis, the Index of Production **decreased** by 8.4% in Wales and by 8.6% in the UK.
- Comparing to the previous quarter, the index of Production **increased** slightly in Wales and by 2.0% in the UK.

#### Index of Construction

- The Index of Construction **decreased** by 10.2% in Wales and by 13.8% in the UK on an annual basis.
- Compared to the previous quarter, the index of construction **increased** by 8.7% in Wales and by 2.7% in the UK.

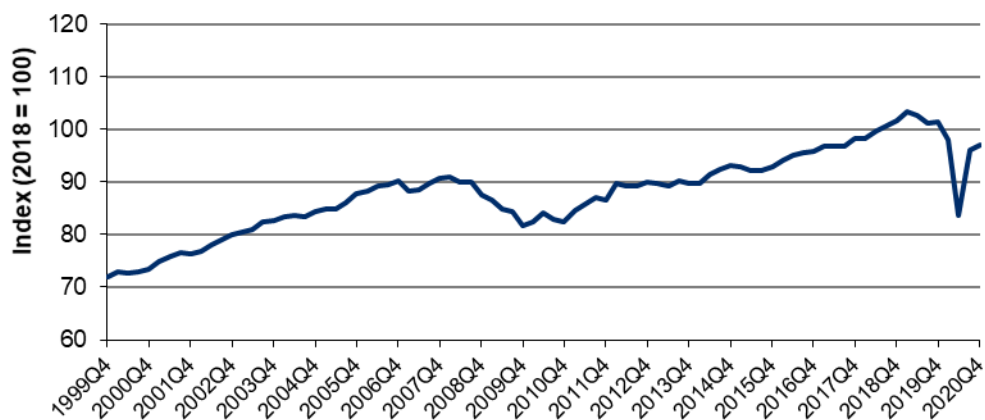
### About this release

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 December 2020.

### In this release

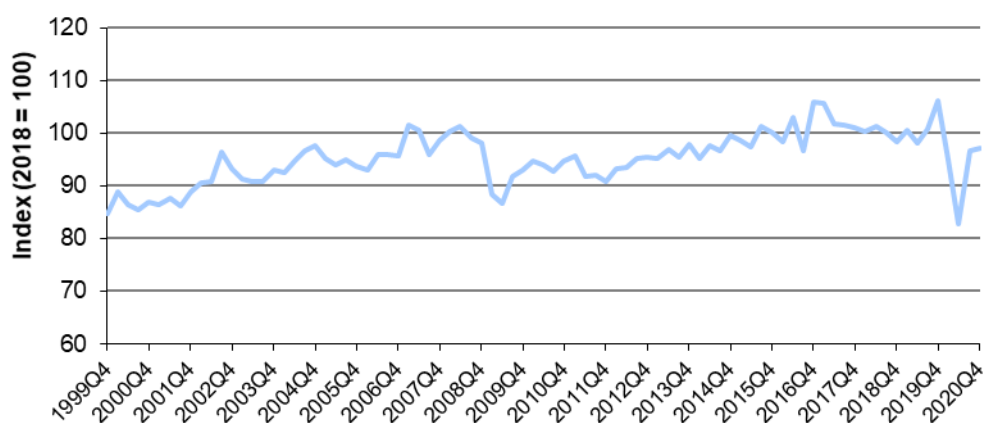
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**Chart 1.1: Index of Market Services.**



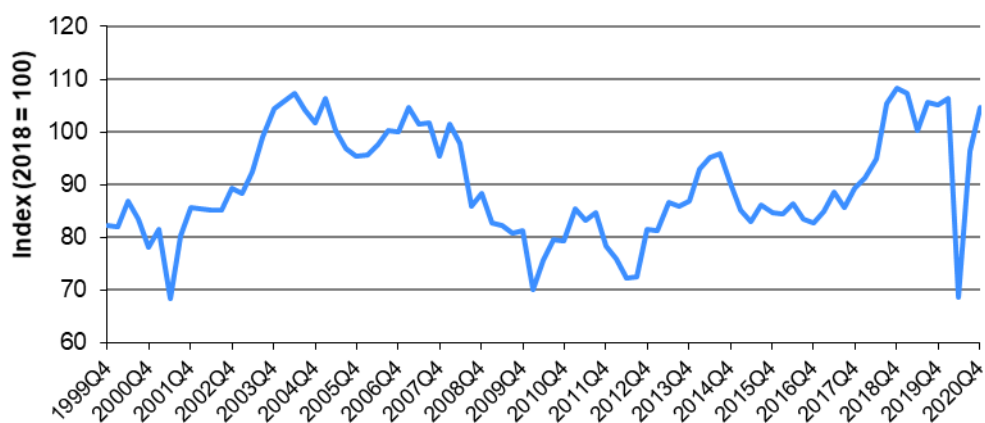
Source: Short-term output indicators, WG and ONS

**Chart 1.2: Index of Production.**



Source: Short-term output indicators, WG and ONS

**Chart 1.3: Index of Construction.**



Source: Short-term output indicators, WG and ONS

## Impact of coronavirus on short term output indicators

The latest estimate for UK gross domestic product (GDP) published by the Office for National Statistics (ONS) for the whole 2020 calendar year suggests that GDP contracted by 9.8% during 2020, the largest decrease on record. The latest [UK quarterly gross domestic product](#) (GDP) for October to December 2020 estimated a small increase following the largest increase since quarterly records began in 1955. This suggests some recovery following the 2020 Q2's record decrease, though GDP remains below pre-pandemic levels.

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. Although, response rates in Wales this quarter have increased with most industries above the target response rate ([see section 7.2](#)).

Short-term output indicator and GDP data form part of the picture of how coronavirus is impacting the Welsh economy. Other data sources such as the latest [labour market indicators](#), the [Business Impact of Coronavirus Survey](#) and estimates of [Welsh goods exports](#) also give an indication of the scale of the impact.

## 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 79.5%. Electricity, Gas and Water Supply accounts for 19.5% and Mining and Quarrying for 1.0%.

The largest components within Manufacturing are Transport Equipment and, Food, Beverages and Tobacco accounting for 15.6% and 14.7% of Manufacturing, respectively. The smallest component within Manufacturing is Textiles, Wearing Apparel & Leather accounting for 1.2% of Manufacturing.

The largest industries within the Index of Market Services for Wales are Real Estate Activities and Distribution accounting for 26.5% and 20.9% respectively. The smallest industries are Transport (accounting for 6.4%) and Other Services (accounting for 6.6%). 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 on an annual basis and the latest quarter for Wales and the UK.

**Table 1.1: Seasonally Adjusted Indices of Output for Wales <sup>(1)</sup>***(2018 = 100)*

						<i>Latest percentage change</i>			
	2019	2020				4 qtrs to previous 4 qtrs		qtr to previous qtr	
		Q1	Q2	Q3	Q4	Wales	UK <sup>(2)</sup>	Wales	UK <sup>(2)</sup>
<b>PRODUCTION</b>	<b>106.1 (r)</b>	<b>95.0</b>	<b>82.7 (r)</b>	<b>96.5 (r)</b>	<b>97.1</b>	<b>-8.4</b>	<b>-8.6</b>	<b>0.5</b>	<b>2.0</b>
Manufacturing	107.5 (r)	94.7 (r)	81.0 (r)	93.7 (r)	95.4	-10.7	-10.6	1.9	3.3
Mining and Quarrying	112.9 (r)	115.7 (r)	95.1 (r)	112.6 (r)	109.4	-6.4	-8.3	-2.9	-3.8
Electricity, Gas and Water Supply <sup>(3)</sup>	100.3 (r)	95.0 (r)	88.8 (r)	107.1 (r)	102.9	0.9	-2.7	-4.0	-0.1
<b>CONSTRUCTION</b>	<b>105.0 (r)</b>	<b>106.2 (r)</b>	<b>68.6 (r)</b>	<b>96.4 (r)</b>	<b>104.7</b>	<b>-10.2</b>	<b>-13.8</b>	<b>8.7</b>	<b>2.7</b>
<b>MARKET SERVICES</b>	<b>101.5</b>	<b>97.9 (r)</b>	<b>83.5</b>	<b>96.1 (r)</b>	<b>97.0</b>	<b>-8.4</b>	<b>-9.8</b>	<b>0.9</b>	<b>-0.5</b>
Distribution	102.4 (r)	97.2 (r)	76.7	101.3 (r)	98.3	-8.2	-7.2	-2.9	-1.9
Transport	110.9 (r)	104.1 (r)	89.5 (r)	94.2 (r)	108.0	-16.9	-16.7	14.7	4.8
Accommodation & Food Service Activities	97.3 (r)	87.9 (r)	24.5 (r)	82.9 (r)	65.6	-36.2	-42.5	-20.9	-32.0
Information & Communication Activities	93.7 (r)	88.7 (r)	83.2 (r)	93.0 (r)	98.6	-1.7	-4.8	6.0	1.5
Financial & Insurance Activities	97.5 (r)	90.7 (r)	87.2 (r)	90.0 (r)	95.1	-7.2	-4.0	5.6	2.4
Real Estate Activities	98.1 (r)	98.4 (r)	97.8 (r)	98.5 (r)	98.4	-1.4	-2.3	-0.1	0.2
Activities	121.4 (r)	127.1	115.2	116.0 (r)	115.0	1.5	-6.3	-0.8	4.4
Administrative & Support Service Activities	107.9 (r)	96.6 (r)	84.3 (r)	92.2 (r)	101.9	-9.1	-18.1	10.5	2.7
Other Services	88.8 (r)	90.1 (r)	60.2 (r)	78.6 (r)	82.5	-18.3	-25.6	4.9	-7.6

*Source: Short-term output indicators, WG and ONS*<sup>(1)</sup> All series are seasonally adjusted. Please see Table B (Appendix B) for more detail on industrial sectors.<sup>(2)</sup> Revisions to the series are normally made each quarter to take account both of more recent information and improved seasonal factors.<sup>(3)</sup> UK figures for Production and Market Services as published by the Office for National Statistics on 31 March 2021 and UK figures for Construction as published by the Office for National Statistics on 12 March 2021.**(r) Revised data.**

## 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 developed experimental statistics that are conceptually similar to STOI called [GDP for Wales and the English regions](#).

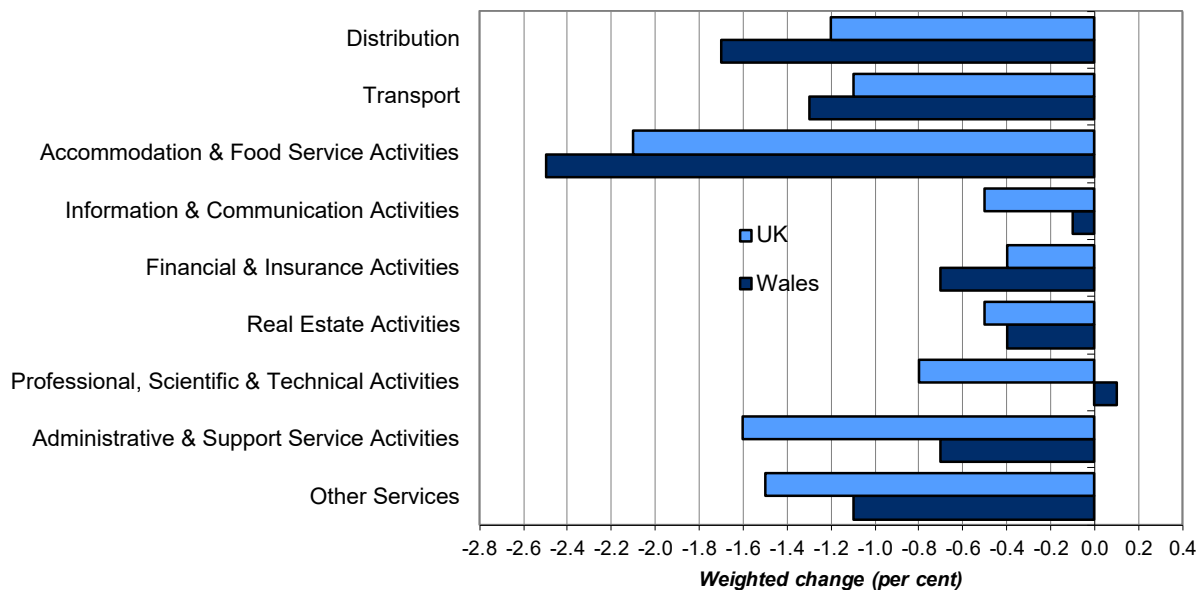
We publish a quarterly [statistical headline](#) which draws out the key points for Wales, and previously published a [Chief Statistician's update](#) which described the new statistics in more detail. Additional information and comparisons between GDP and STOI can be found in the key quality information 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. The Index of Market Services accounts for approximately 46.0% of the Welsh economy.

Chart 2.1 shows the impact of changes in the sub-sectors on the index as a whole on an annual basis (based on weighted data).

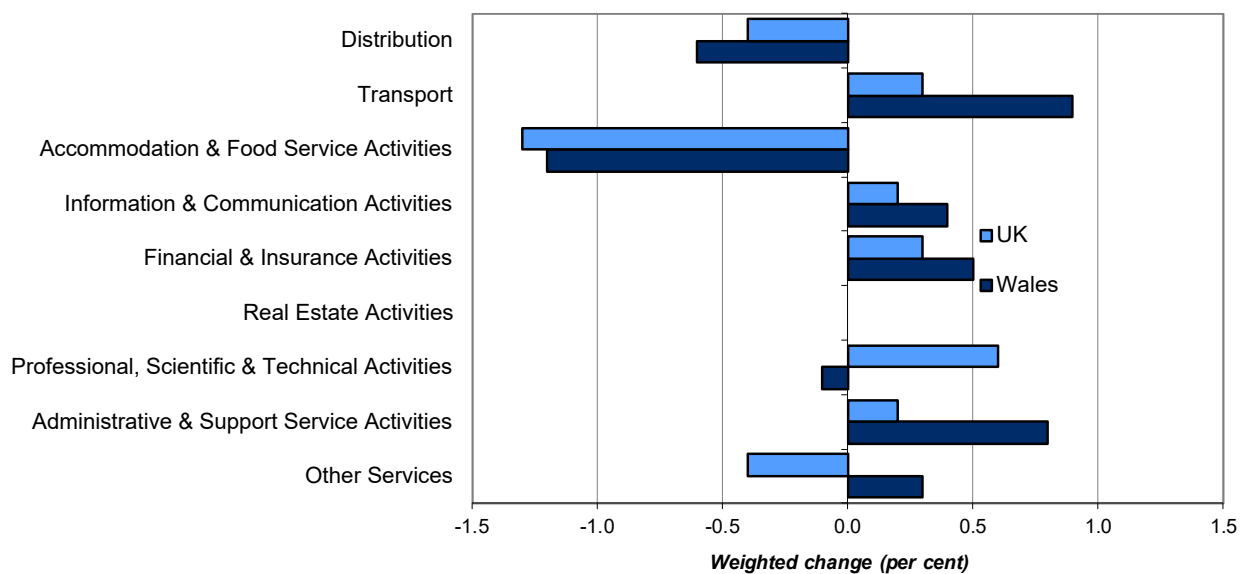
**Chart 2.1: Contribution to the annual percentage change (latest four quarters compared with previous four quarters)**



Source: Short-term Output Indicators, WG and ONS

In Wales, eight of the nine sub-sectors decreased on an annual basis, with only Professional, Scientific and Technical Activities showing slight growth. All nine sub-sectors decreased in the UK over the same period. Accommodation and Food Service Activities have understandably decreased the most on an annual basis in Wales and the UK, followed by Distribution, Transport, and Other Services. The UK experienced much larger annual decreases in Administrative & Support Service Activities and Other Services when compared to Wales.

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



While several sectors have increased slightly this quarter, the majority have decreased over the year as a result of the coronavirus pandemic.

In Wales, five of the nine industries have contributed to the Index of Market Services' slight increase, continuing the growth from the largest quarterly increase last quarter. Five of the nine industries also increased in the UK. Transport and Administrative and Support Service Activities have shown the largest increases, with those sub-sectors contributing more in Wales than the UK. All sub-indices experienced a weighted change below 2.0% in both Wales and the UK, suggesting very little change from the previous quarter.

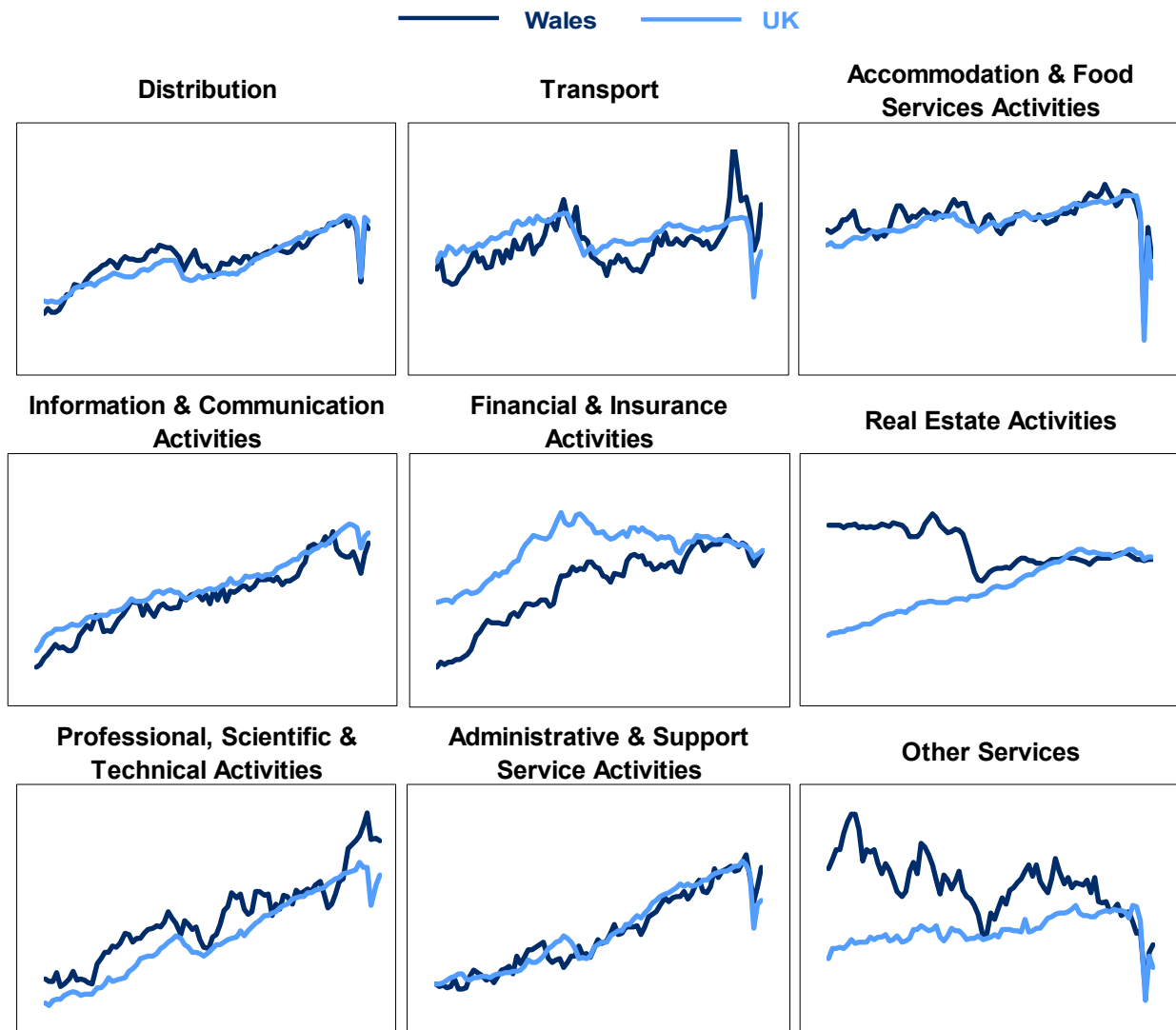
Accommodation & Food Service Activities decreased the most in both Wales and the UK, followed by Distribution. Real Estate Activities remained unchanged compared to the previous quarter. In Wales, Professional, Scientific and Technical Activities decreased slightly but increased in the UK compared to the previous quarter. Other Services decreased in the UK but increased in Wales.

Estimated changes in Wales are typically larger than for the UK, 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 industries 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 Q4 to 2020 Q4, (2018=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 saw an overall increase until the coronavirus pandemic. The Index of Distribution also increased slightly in Wales and decreased slightly in the UK on an annual basis.

#### Transport

There was a significant fall in activity in Wales and across the UK during the 2008-09 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. The largest upward contribution towards the



Index of Market Services this quarter came from Transport. In Wales, the Index of transport increased by 14.7% in Quarter 4 2020 when compared with Quarter 3 2020. The UK data increased by 4.8% in Quarter 4 2020. The Index of transport in Wales is above average for the series, returning to just below pre-pandemic levels. Meanwhile, the UK has recovered from the lowest level since the series began in 2020 Q2 but is still well below pre-pandemic values. The biggest contribution within this section comes from 52: Warehousing and Transport, with a 21.5% increase.

### **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 quarter, activity in Wales decreased by 20.9% and the UK index by 32.0%. The decrease is a result of Covid-19 restrictions faced by businesses during this quarter. The Welsh and UK indexes are also down 36.2% and 42.5% respectively on an annual basis. This decrease is the largest of the nine industries.

### **Information and Communication Activities**

In the latest quarter, the Index of Information and Communication Activities increased by 6.0% in Wales and by 1.5% in the UK. The indexes for Wales and the UK are 1.7% and 4.8% lower respectively on an annual basis but now exceed pre-coronavirus levels. The decrease seen in 2020 is not as severe as other industries due to the steady growth in both Wales and the UK since the series began.

### **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 quarter, the index has increased by 5.6% in Wales and by 2.4% in the UK. However, the Welsh and UK indexes are down 7.2% and 4.0% on an annual basis.

### **Real Estate Activities**

Real Estate Activities continues to be one of the sub-sectors least effected by the pandemic. Over the quarter, activity has decreased slightly in Wales and increased slightly in the UK. Historical 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.

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

Professional, Scientific and Technical Activities decreased slightly in Wales but increased 4.4% in the UK this quarter. The index increased by 1.5% in Wales but decreased by 6.3% in the UK on an annual basis. This is due to the large increase in Wales at the end of 2018 which can be traced back to sample changes in two of the Index's sub-sectors.

## **Administrative and Support Service Activities**

Administrative and Support Service Activities increased almost in parallel in Wales and the UK until the pandemic. Activity in Wales increased by 10.5% in the latest quarter, compared to an increase of 2.7% for the UK. However, activities in this sub-sector have decreased by 9.1% in Wales and 18.1% in the UK on an annual basis. This is a continuation of the trend seen across most sub-sectors; some recovery but still below pre-pandemic levels. The main contribution to this increase is from Office administrative support (SIC 82), which has increased by 27.4%.

## **Other Services**

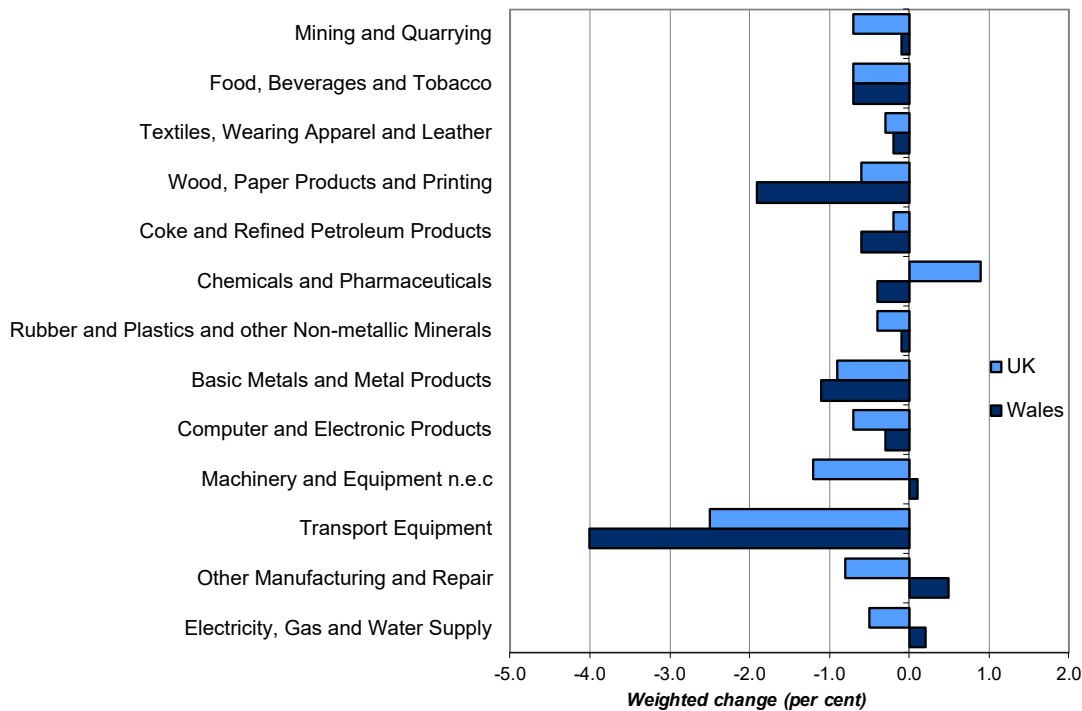
Since 1999, the Index of Other Services for Wales has been volatile, with a decreasing trend overall. The UK trend, by contrast, has been of a relatively stable increase. The latest quarter showed an increase of 4.9% in Wales compared to a decrease of 7.6% in the UK, indicating recovery from the lowest recorded level since the series began in 2020 Q2 for Wales. However, despite a strong recovery activity in both Wales and the UK over the last two quarters, index levels are still below pre-pandemic levels.

## 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. The index of production accounts for approximately 21.4% of the Welsh economy.

Chart 4.1 shows the impact of changes in the sub-sectors on the index as a whole on an annual basis (based on weighted data).

**Chart 4.1: Contribution to the annual percentage change (latest four quarters compared with previous four quarters)**

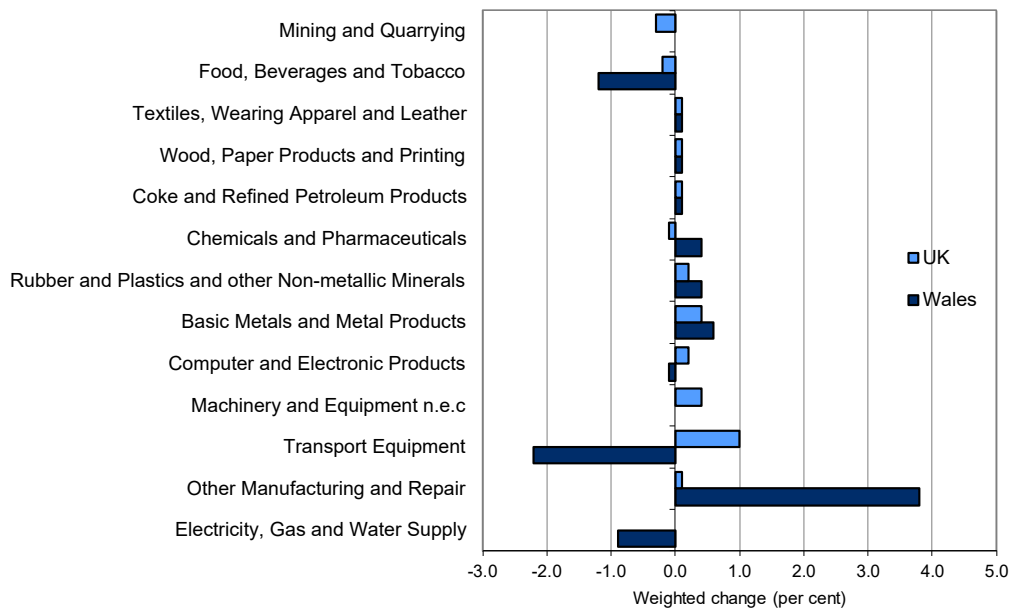


Source: Short-term Output Indicators, WG and ONS

Just like the Index of Market Services, annual change displays a different trend to the quarterly changes. Transport Equipment is again the largest contributor to the Index of Production decrease in both Wales and the UK.

In Wales, ten of the thirteen industries experienced decreases on an annual basis, with Transport Equipment, and Wood, Paper Products and Printing decreasing the most. Other Manufacturing and Repair increased the most followed by Electricity, Gas and Water Supply. Whereas, Chemicals and Pharmaceuticals was the only industry to increase annually in the UK. Machinery and Equipment not elsewhere classified showed a small annual increase in Wales, however, this industry was the second largest contributor to the annual decrease in the UK.

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



Source: Short-term Output Indicators, WG and ONS

Four industries within the Index of Production for Wales decreased over the quarter, all the other industries contributed to the observed increase. Transport Equipment decreased the most followed by Food, Beverages and Tobacco. Other Manufacturing and Repair displayed the largest increase this quarter, whereas, most other industries showed very little-to-no change compared to the previous quarter.

In the UK, nine of the thirteen industries experienced growth compared to the previous quarter with Transport Equipment increasing the most. Though, much like Wales, the majority of industries showed very slight changes compared to the previous quarter.

Estimates for changes in Wales are typically larger than for the UK, 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 5.1: Production Sub-indices – 1999 Q4 to 2020 Q4, (2018=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 fourth quarter of 2020 to the previous quarter, the Index of Mining and Quarrying decreased by 2.9% in Wales and fell by 3.8% in the UK. In Wales, index levels were 6.4% lower on an annual basis.

### Index of Manufacturing

Historically, there was growth in the Index of Manufacturing in Wales until the recession, which brought a decrease 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 79.5% of the Index of Production.

The index has increased over the last quarter in both Wales and the UK well above the lowest point since the series began in 2020 Q2. In the latest quarter, activity has increased by 1.9% in Wales and by 3.3% in the UK.

While there has been significant growth compared over the previous two quarters, the Index of Manufacturing remains 10.7% lower on an annual basis in Wales (similar to a decrease of 10.6% for the UK).

## **Index of Electricity, Gas and Water Supply**

The Index of Electricity, Gas and Water Supply in Wales is volatile but follows a similar trend to the Index of Mining and Quarrying. 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 fall has continued due to the pandemic and the series reached its lowest level since records began in 2020 Q2.

Over the quarter, the index has decreased by 4.0% in Wales and very slightly in the UK. Electricity, gas, steam and air-conditioning supply has decreased by 7.8% and Water supply; sewerage, waste management fell by 0.4%. In Wales, the annual output for this sector has increased by 0.9%, whereas, the output decreased by 2.7% in the UK on an annual basis.

## 6. Index of Construction

The construction sector accounts for approximately 6.2% of the Welsh economy.

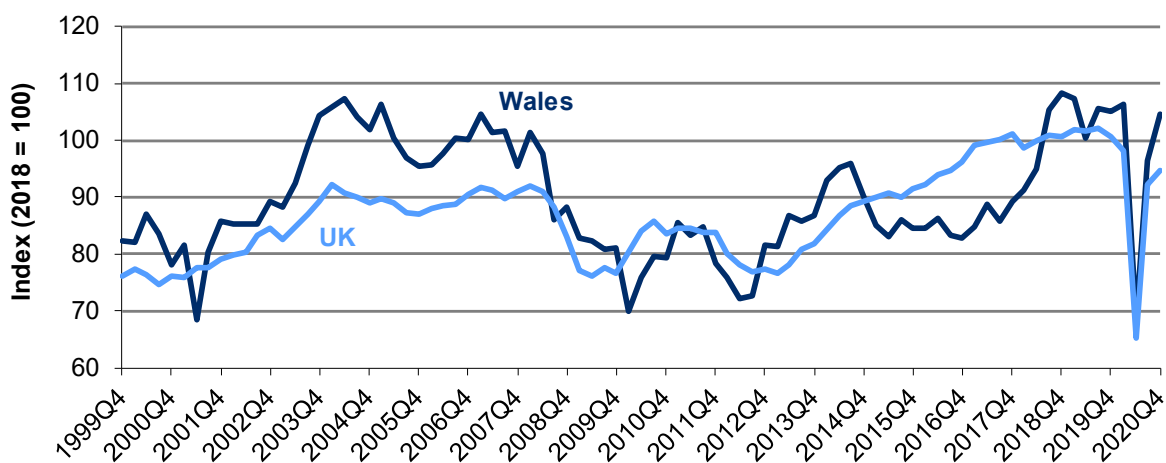
As a result of capacity challenges caused by the pandemic, the Office for National Statistics suspended the output in the construction industry: sub-national and sub-sector dataset. This dataset is usually used by ONS to produce the index for construction. To fill the gap of the missing data, a best estimate for Wales has been used instead.

Following 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 gradually increased overall and reached pre-recession levels until the pandemic where indexes for both Wales and the UK fell to their lowest levels in the series during 2020 Q2.

Over the latest quarter, the index of construction increased by 8.7% in Wales and by 2.7% in the UK. While improved compared to the previous quarter, the Welsh index remains 10.2% lower on an annual basis compared to 13.8% lower in the UK over the same period.

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.

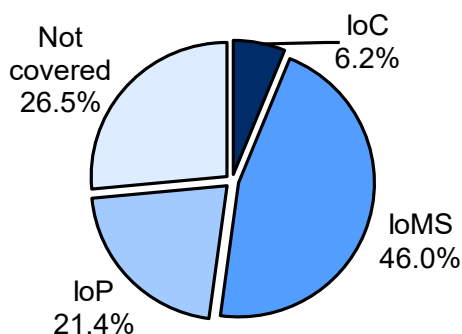
The output indices show the quarterly movements in gross output of the production, construction, and market services sectors in Wales. Gross output is used as a proxy for Gross Value Added (GVA), measured by a variety of data sources since GVA cannot currently be measured.

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', which are 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 2018 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

The response rates from additional Welsh businesses have generally increased over the year. However, response rates for 2020 Q4 have decreased compared to the previous quarter. Small sample sizes for some industries could cause volatility and so Q1 and Q2 estimates should be treated with caution.

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

	Target response	2020 Q4 response	2020 Q3 response	2020 Q2 response	2020 Q1 response
Index of Production	77%	84%	92%	88%	48%
Distribution	87%	85%	92%	69%	69%
Transport	77%	76%	70%	76%	52%
Accommodation and Food Service Activities	75%	63%	63%	63%	63%
Information and Communication Activities	77%	85%	92%	57%	64%
Financial and Insurance Activities	75%	74%	77%	75%	66%
Real Estate Activities	50%	50%	50%	25%	25%
Professional, Scientific and Technical Activities & Administrative and Support Service Activities	66%	87%	91%	76%	83%
Other Services	50%	67%	67%	50%	50%

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 and rebasing made (in index points) to the previous quarter's estimates.

**Table 7.2: Comparison of Current and Previous Estimates of 2020 Quarter 3 <sup>1</sup>**

	<u>Current</u>	<u>Previous</u>	<u>Revision</u>
Index of Production	96.5	97.3	-0.7
Manufacturing	93.7	94.7	-1.0
Mining and Quarrying	112.6	112.9	-0.3
Electricity, Gas & Water	107.1	106.5	0.6
Construction	96.4	96.2	0.1
Index of Market Services	96.1	96.4	-0.3
Distribution	101.3	102.2	-0.9
Transport	94.2	94.3	-0.1
Accommodation and Food Service Activities	82.9	84.2	-1.2
Information and Communication Activities	93.0	93.1	-0.1
Financial and Insurance Activities	90.0	92.4	-2.4
Real Estate Activities	98.5	98.4	0.1
Professional, Scientific and Technical Activities	116.0	115.2	0.7
Administrative and Support Service Activities	92.2	90.9	1.3
Other Services	78.6	78.4	0.2

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.

### 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.

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 wellbeing goals, and (b) lay a copy of the national indicators before Senedd Cymru. 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**

July 2021 (Statistical First Release for 2021 Q1)

### **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)	Food products, beverages and tobacco
CB (13-15)	Textiles, wearing apparel and leather products
CC (16-18)	Wood and paper products, and printing
CD (19)	Coke and refined petroleum products
CECF (20-21)	Chemicals and pharmaceuticals
CG (22-23)	Rubber & plastics products, & other non-metallic minerals
CH (24-25)	Basic metals and metal products
CICJ (26-27)	Computer and electronic products
CK (28)	Machinery and equipment n.e.c.
CL (29-30)	Transport equipment
CM (31-33)	Other manufacturing and repair
CIJKL	Engineering and allied industries
CCGM	Other manufacturing
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	Wholesale, Retail Sale & Repair of Motor Vehicles
46	Wholesale Trade except Motor Vehicles
47	Retail Sales except Motor Vehicles
H	Transportation and Storage
49-51	Land, water and air transport
52-53	Warehousing and support activities for transportation; postal and courier activities
I	Accommodation and Food Service Activities
55	Accommodation
56	Food and beverage service activities
J	Information and Communication
JA (58-60)	Publishing, audio-visual and broadcasting activities
JB (61)	Telecommunications
JC (62-63)	Information technology and other information activities
K	Financial and Insurance Activities
L	Real Estate Activities
L x OOD	Real Estate excluding Owner Occupied Dwellings
OOD	Owner Occupied Dwellings
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>**

											SEASONALLY ADJUSTED <sup>(2)</sup> : 2018 = 100			
2007 STANDARD INDUSTRIAL CLASSIFICATION		Index Weights <sup>(3)</sup>	Annual Indices		2019		2020				Percentage change: Latest			
Section	Description		2019	(r) 2020	Q3	Q4	Q1	Q2	Q3	Q4	4 qtrs to previous 4 qtrs	UK <sup>(4)</sup>	Wales	UK <sup>(4)</sup>
<b>B-E</b>	<b>PRODUCTION INDUSTRIES</b>	<b>1000</b>	<b>101.4 (r)</b>	<b>92.8</b>	<b>100.8 (r)</b>	<b>106.1 (r)</b>	<b>95.0</b>	<b>82.7 (r)</b>	<b>96.5 (r)</b>	<b>97.1</b>	<b>-8.4</b>	<b>-8.6</b>	<b>0.5</b>	<b>2.0</b>
<b>B</b>	<b>Mining and Quarrying</b>	<b>10</b>	<b>115.5 (r)</b>	<b>108.2</b>	<b>115.7 (r)</b>	<b>112.9 (r)</b>	<b>115.7 (r)</b>	<b>95.1 (r)</b>	<b>112.6 (r)</b>	<b>109.4</b>	<b>-6.4</b>	<b>-8.3</b>	<b>-2.9</b>	<b>-3.8</b>
<b>C</b>	<b>Manufacturing</b>	<b>795</b>	<b>102.1 (r)</b>	<b>91.2</b>	<b>101.8 (r)</b>	<b>107.5 (r)</b>	<b>94.7 (r)</b>	<b>81.0 (r)</b>	<b>93.7 (r)</b>	<b>95.4</b>	<b>-10.7</b>	<b>-10.6</b>	<b>1.9</b>	<b>3.3</b>
CA	Food, Beverages and Tobacco	147	113.5 (r)	107.2	112.7 (r)	119.9 (r)	102.0 (r)	112.4 (r)	112.4 (r)	102.1	-5.5	-5.7	-9.1	-1.9
CB	Textiles, Wearing Apparel and Leather	12	90.3 (r)	74.6	95.7	100.8	69.4	42.7	86.7 (r)	99.7	-17.4	-11.7	15.0	3.0
CC	Wood, Paper Products and Printing	78	115.6 (r)	84.8	118.5 (r)	119.1 (r)	106.6 (r)	68.4 (r)	81.1 (r)	83.2	-26.6	-11.5	2.7	2.9
CD	Coke and Refined Petroleum Products	34	100.0 (r)	77.8	95.6	109.5	95.3	56.8	78.5	80.8	-22.2	-17.5	2.9	7.0
CE-CF	Chemicals and Pharmaceuticals	97	116.4 (r)	111.6	116.2 (r)	120.3 (r)	117.6 (r)	116.1 (r)	103.9 (r)	108.8	-4.2	9.0	4.7	-0.9
CG	Rubber and Plastics and other Non-metallic Minerals	67	94.0 (r)	91.6	93.7 (r)	93.9 (r)	98.7 (r)	74.6 (r)	93.1 (r)	99.9	-2.6	-7.7	7.3	4.1
CH	Basic Metals and Metal Products	124	95.4 (r)	84.0	94.5	90.5 (r)	87.4 (r)	72.5 (r)	85.3 (r)	90.9	-11.9	-11.8	6.5	6.2
CI-CJ	Computer and Electronic Products	113	106.4 (r)	102.5	105.9 (r)	112.9 (r)	102.5 (r)	99.9 (r)	104.5 (r)	103.3	-3.6	-9.6	-1.1	2.6
CK	Machinery and Equipment n.e.c	38	88.1 (r)	91.8	82.3 (r)	86.2	89.1	97.5 (r)	90.6 (r)	89.9	4.2	-21.0	-0.7	8.4
CL	Transport Equipment	156	101.7 (r)	69.2	100.4 (r)	101.5 (r)	80.4 (r)	42.4 (r)	85.5 (r)	68.4	-32.0	-24.0	-19.9	11.9
CM	Other Manufacturing and Repair	134	81.7 (r)	86.8	84.6 (r)	107.7 (r)	78.2 (r)	67.2 (r)	83.7 (r)	118.2	6.3	-11.3	41.2	1.6
CIJKL	Engineering and Allied Industries	307	101.9 (r)	85.5	100.4 (r)	104.2 (r)	90.4 (r)	72.5 (r)	93.8 (r)	85.2	-16.1	-17.8	-9.2	10.3
CCGM	Other Manufacturing	279	94.0 (r)	87.4	96.1 (r)	107.5 (r)	90.9 (r)	69.3 (r)	85.2 (r)	104.2	-7.0	-9.4	22.2	2.8
<b>DE</b>	<b>Electricity, Gas and Water Supply <sup>(5)</sup></b>	<b>195</b>	<b>97.6 (r)</b>	<b>98.4</b>	<b>95.8 (r)</b>	<b>100.3 (r)</b>	<b>95.0 (r)</b>	<b>88.8 (r)</b>	<b>107.1 (r)</b>	<b>102.9</b>	<b>0.9</b>	<b>-2.7</b>	<b>-4.0</b>	<b>-0.1</b>
<b>F</b>	<b>CONSTRUCTION</b>	<b>1000</b>	<b>104.6 (r)</b>	<b>94.0</b>	<b>105.6 (r)</b>	<b>105.0 (r)</b>	<b>106.2 (r)</b>	<b>68.6 (r)</b>	<b>96.4 (r)</b>	<b>104.7</b>	<b>-10.2</b>	<b>-13.8</b>	<b>8.7</b>	<b>2.7</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 31 March 2021 and UK figures for Construction as published by the Office for National Statistics on 12 March 2021.

(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) Revised figures.

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

SEASONALLY ADJUSTED <sup>(2)</sup> : 2018 = 100

2007 STANDARD INDUSTRIAL CLASSIFICATION		Index Weights <sup>(3)</sup>	Annual Indices (r)		2019		2020				Percentage change: Latest			
			2019 (r)	2020 (r)	Q3	Q4	Q1	Q2	Q3	Q4	4 qtrs to previous 4 qtrs	qtr to previous qtr	Wales	UK <sup>(4)</sup>
<b>IoMS</b>	<b>MARKET SERVICES</b>	<b>1000</b>	<b>102.2</b>	<b>93.6</b>	<b>101.2 (r)</b>	<b>101.5</b>	<b>97.9 (r)</b>	<b>83.5</b>	<b>96.1 (r)</b>	<b>97.0</b>	<b>-8.4</b>	<b>-9.8</b>	<b>0.9</b>	<b>-0.5</b>
<b>G</b>	<b>Distribution</b>	<b>209</b>	<b>101.7</b>	<b>93.4</b>	<b>99.7 (r)</b>	<b>102.4 (r)</b>	<b>97.2 (r)</b>	<b>76.7</b>	<b>101.3 (r)</b>	<b>98.3</b>	<b>-8.2</b>	<b>-7.2</b>	<b>-2.9</b>	<b>-1.9</b>
45	Wholesale, Retail Sale & Repair of Motor Vehicles	187	107.3	91.6	99.0 (r)	106.0 (r)	94.8 (r)	54.8 (r)	109.6 (r)	107.2	-14.6	-20.7	-2.2	-10.3
46	Wholesale Trade except Motor Vehicles	270	109.3	98.1	110.2	115.6 (r)	107.9 (r)	84.6 (r)	100.3 (r)	99.8	-10.2	-6.4	-0.6	-0.6
47	Retail Sales except Motor Vehicles	543	95.3	91.3	94.0 (r)	93.5 (r)	91.8 (r)	80.2	98.8 (r)	94.3	-4.2	-3.3	-4.6	0.0
<b>H</b>	<b>Transport</b>	<b>64</b>	<b>119.0</b>	<b>98.9</b>	<b>109.4 (r)</b>	<b>110.9 (r)</b>	<b>104.1 (r)</b>	<b>89.5 (r)</b>	<b>94.2 (r)</b>	<b>108.0</b>	<b>-16.9</b>	<b>-16.7</b>	<b>14.7</b>	<b>4.8</b>
49-51	Land, Water & Air Transport	482	103.8	67.6	106.9 (r)	101.1 (r)	95.2 (r)	50.1 (r)	60.2 (r)	65.0	-34.8	-29.2	7.9	2.3
52,53	Warehousing & Transport Support Activities; Postal & Courier Activities	518	129.9	120.9	111.3 (r)	118.0 (r)	110.6 (r)	117.0 (r)	117.9 (r)	138.0	-7.0	-0.9	17.1	6.8
<b>I</b>	<b>Accommodation &amp; Food Service Activities</b>	<b>69</b>	<b>102.3</b>	<b>65.3</b>	<b>102.1 (r)</b>	<b>97.3 (r)</b>	<b>87.9 (r)</b>	<b>24.5 (r)</b>	<b>82.9 (r)</b>	<b>65.6</b>	<b>-36.2</b>	<b>-42.5</b>	<b>-20.9</b>	<b>-32.0</b>
55	Accommodation	431	98.0	60.6	98.4 (r)	97.6 (r)	81.5 (r)	8.0 (r)	87.8 (r)	64.9	-38.2	-51.9	-26.1	-45.8
56	Food & Beverage Service Activities	569	104.8	67.9	104.3 (r)	97.1 (r)	91.6 (r)	33.9 (r)	80.2 (r)	66.0	-35.2	-38.5	-17.7	-27.1
<b>J</b>	<b>Information &amp; Communication Activities</b>	<b>71</b>	<b>92.4</b>	<b>90.9</b>	<b>91.6 (r)</b>	<b>93.7 (r)</b>	<b>88.7 (r)</b>	<b>83.2 (r)</b>	<b>93.0 (r)</b>	<b>98.6</b>	<b>-1.7</b>	<b>-4.8</b>	<b>6.0</b>	<b>1.5</b>
JA	Publishing, Audio Visual & Broadcasting Activities	106	91.1	82.1	97.2 (r)	92.6 (r)	94.1	68.2	73.8 (r)	92.2	-10.0	-13.0	24.9	8.5
JB	Telecommunications	487	89.9	88.5	90.7 (r)	89.4 (r)	88.0 (r)	86.3 (r)	87.2 (r)	92.3	-1.6	1.9	5.9	2.1
JC	Information Technology & Other Information Activities	407	95.9	96.5	90.9	99.4	87.9	84.0	106.0 (r)	108.1	0.7	-3.9	2.0	-2.2
<b>K</b>	<b>Financial &amp; Insurance Activities</b>	<b>102</b>	<b>97.8</b>	<b>90.7</b>	<b>98.9 (r)</b>	<b>97.5 (r)</b>	<b>90.7 (r)</b>	<b>87.2 (r)</b>	<b>90.0 (r)</b>	<b>95.1</b>	<b>-7.2</b>	<b>-4.0</b>	<b>5.6</b>	<b>2.4</b>
<b>L</b>	<b>Real Estate Activities</b>	<b>265</b>	<b>99.6</b>	<b>98.3</b>	<b>99.4</b>	<b>98.1 (r)</b>	<b>98.4 (r)</b>	<b>97.8 (r)</b>	<b>98.5 (r)</b>	<b>98.4</b>	<b>-1.4</b>	<b>-2.3</b>	<b>-0.1</b>	<b>0.2</b>
LXOOD	Real Estate Activities excluding OOD	153	106.4	100.6	103.5 (r)	99.9 (r)	101.8 (r)	95.7 (r)	99.8 (r)	105.1	-5.4	-5.1	5.3	0.2
OOD	Owner Occupied Dwellings	849	98.8	98.0	98.9	97.8 (r)	97.9 (r)	98.1	98.3	97.5	-0.8	-0.9	-0.8	0.2
<b>M</b>	<b>Professional, Scientific &amp; Technical Activities</b>	<b>78</b>	<b>116.6</b>	<b>118.3</b>	<b>117.0 (r)</b>	<b>121.4 (r)</b>	<b>127.1</b>	<b>115.2</b>	<b>116.0 (r)</b>	<b>115.0</b>	<b>1.5</b>	<b>-6.3</b>	<b>-0.8</b>	<b>4.4</b>
<b>N</b>	<b>Administrative &amp; Support Service Activities</b>	<b>76</b>	<b>103.1</b>	<b>93.7</b>	<b>104.6 (r)</b>	<b>107.9 (r)</b>	<b>96.6 (r)</b>	<b>84.3 (r)</b>	<b>92.2 (r)</b>	<b>101.9</b>	<b>-9.1</b>	<b>-18.1</b>	<b>10.5</b>	<b>2.7</b>
<b>RST</b>	<b>Other Services</b>	<b>66</b>	<b>95.3</b>	<b>77.8</b>	<b>94.4 (r)</b>	<b>88.8 (r)</b>	<b>90.1 (r)</b>	<b>60.2 (r)</b>	<b>78.6 (r)</b>	<b>82.5</b>	<b>-18.3</b>	<b>-25.6</b>	<b>4.9</b>	<b>-7.6</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 31 March 2021.

(r) Revised figures.