



# **CONCEPT AND DEFINITION INDUSTRIAL TURNOVER INDEX**

**Bünyamin EMİROSMAN**

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**Muscat, Umman**

# Preamble

- ➔ **Before start**
- ➔ **Business statistics → SBR, SBS, STS**
- ➔ **STS coverage**

## ➔ Indicators covered by the STS Regulation, by domain or annex

Annex/domain	List of indicators
<b>A-Industry</b>	Production <b>Turnover, domestic turnover, non-domestic turnover</b> Number of persons employed, hours worked, gross wages and salaries Producer prices, domestic producer prices, non-domestic producer prices
<b>B-Construction</b>	Production, production of buildings, production of civil engineering Number of persons employed, hours worked, gross wages and salaries Construction costs, material costs, wage costs Building permits: number of dwellings, building permits: useful floor area in m2
<b>C-Retail trade</b>	<b>Turnover</b> Number of persons employed, hours worked, gross wages and salaries Deflator of sales
<b>D-Services</b>	<b>Turnover</b> Number of persons employed, hours worked, gross wages and salaries Producer prices

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- ➔ **Definition**
- ➔ **Purpose**
- ➔ **Classification**
- ➔ **Scope and coverage**

# Definition

- ➡ **Turnover**
  - ➡ **Sales, Shipments, Deliveries**
- ➡ **Demand for industrial output**
- ➡ **Global idea of sales**
  - ➡ **Sales of goods**
  - ➡ **Merchant goods,**
  - ➡ **Services provided to other units**

# Definition

- ➔ Turnover is defined by annex I of the Commission Regulation (EC) No 1503/2006 as:
  - ➔ *the totals invoiced by the observation unit during the reference period. This corresponds to market sales of goods or services supplied to third parties.*
  - ➔ *Turnover also includes all other charges (transport, packaging, etc.) passed onto the customer, even if these charges are listed separately in the invoice. (...)*

# Definition

- ➡ **The most important components of industrial turnover are invoiced services provided by the unit and the sales of products;**
  - ➡ **Produced by the unit,**
  - ➡ **Produced by third parties with raw materials of the unit,**
  - ➡ **Purchased for resale by the unit**

# Definition

- ➔ Subject to the treatment of income classified as
    - ➔ other operating income,
    - ➔ financial income and
    - ➔ extraordinary income
- in company accounts are **excluded** .



# Definition

- **Domestic turnover/Non-domestic turnover**
- The objectives and characteristics of indices for variable (turnover) also apply to the indices for the distinction between domestic and non-domestic turnover.
- The indices of domestic and non-domestic turnover require turnover to be split according to the first destination of the product based on the change of ownership (whether or not there are also corresponding physical movements of goods across frontiers).
- The destination is determined by the residency of the third party that purchased the goods and services. The domestic market is defined as third parties resident in the same national territory as the observation unit.

# Purpose

- ➔ **Turnover is used to assess current developments in sales.**
- ➔ **To give a global idea of sales evolution including the sales of goods and services to other units.**
- ➔ **For industry, Turnover index can be seen as a complement to production information in short term analysis**
- ➔ **Deflated turnover can be used as proxy for the IPI**

# Classification

- ➔ **NACE Rev.2** is used for Activity Classification
- ➔ NACE Rev. 2 is the classification of economic activities corresponding to **ISIC Rev. 4** at European level. Though more disaggregated than ISIC Rev. 4, NACE Rev. 2 is completely in line with it and can thus be regarded as its European version.

# Classification

## **Economic activity (NACE Rev. 2)**

### **Total industry**

B-Mining and quarrying

C-Manufacturing

## **MIGS (Main Industrial Groups)**

IG -Intermediate goods

DCG-Durable consumer goods

NDCG-Non-Durable consumer goods

E-Energy

CG-Capital goods

### **Total turnover**

Domestic turnover

Non-domestic turnover

# Classification

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# Classification

## Total industry

### B-Mining and quarrying

- 05-Mining of coal and lignite
- 06-Extraction of crude petroleum and natural gas
- 07-Mining of metal ores
- 08-Other mining and quarrying

### C-Manufacturing

- 10-Manufacture of food products
- 11-Manufacture of beverages
- 12-Manufacture of tobacco products
- 13-Manufacture of textiles
- 14-Manufacture of wearing apparel
- 15-Manufacture of leather and related products
- 16-Manufacture of wood and of products of wood and cork (except furniture)
- 17-Manufacture of paper and paper
- 18-Printing and reproduction of recorded media
- 19-Manufacture of coke and refined petroleum products
- 20-Manufacture of chemicals and chemical products
- 21-Manufacture of basic pharmaceutical products and pharmaceutical preparations
- 22-Manufacture of rubber and plastic products
- 23-Manufacture of other non-metallic mineral products
- 24-Manufacture of basic metals
- 25-Manufacture of fabricated metal products (except machinery and equipment)
- 26-Manufacture of computer, electronic and optical products
- 27-Manufacture of electrical equipment
- 28-Manufacture of machinery and equipment n.e.c.
- 29-Manufacture of motor vehicles, trailers and semi-trailers
- 30-Manufacture of other transport equipment
- 31-Manufacture of furniture
- 32-Other manufacturing
- 33-Repair and installation of machinery and equipment

# Scope and Coverage

## Statistical Units:

STS-Regulations require → Kind of Activity Unit (KAU)

TurkStat → Use mix of LKAU, KAU and Enterprise for observation unit

## Unit of measure:

All turnover data is compiled by local currency "TL".

# Scope and Coverage

**Geographic coverage:** is whole Turkey.

- Regional and/or provincial indices are not calculated.

**Sectoral coverage:**

- Regulations require coverage of Sections B (Mining and quarrying) and C (Manufacturing) in relation to NACE Rev.2.
- The sub-indicators of turnover are also limited by their geographical market between domestic and non-domestic markets.
- TurkStat calculates indices coverage of Sections B and C at 4-digit level, but publishes at 2-digit level.



**THANK YOU**