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1977

Business Statistics Office

Business Monitor

Report on the
Census of Production

Electronic computers

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Business Monitor

A publication of the Government Statistical Service

Report on the Census of Production 1977

Electronic computers

Presented by the Secretary of State for Industry
to Parliament in pursuance of the Statistics of Trade Act 1947
(10 & 11 Geo.6 Cha.39 sec 7)

Department of Industry
Business Statistics Office

London: Her Majesty's Stationery Office

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PA366 ELECTRONIC COMPUTERS

The information in this report relates to establishments classified to the Electronic computers industry, minimum list heading 366 in the Standard Industrial Classification (revised 1968). The activities of the industry include:—

Manufacturing digital, analogue and hybrid electronic computers and related equipment, including peripheral equipment for computing systems and data transmission equipment. Telecommunication links and computers and peripheral equipment not separable from industrial control systems are excluded.

In interpreting the data in the tables it is essential to bear in mind the notes and definitions which commence on page (iii).

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TABLE 1

Output and costs, 1973-1977
All United Kingdom establishments classified to the industry (a)

	Unit	1973	1974	1975	1976	1977
Enterprises	Number	106	122	129	137	135
Establishments	"	116	136	144	152	145
Sales of goods produced	£ thousand	307,657	386,544	495,054	545,500	625,199
Receipts for work done and industrial services rendered	"	(b)	(b)	(b)	43,641	53,084
Capital goods produced for establishments' own use	"	1,758	2,099	2,166	1,413	2,264
Non-industrial services rendered	"	1,741	2,290	1,487	2,295	344
Goods merchanted or factored	"	30,622	40,406	47,734	53,847	54,923
Total sales and work done (c)	"	341,779	431,340	546,440	646,695	735,813
Increase during the year, work in progress and goods on hand for sale	"	14,509	14,623	7,687	13,187	-4,902
Gross output	"	356,288	445,963	554,128	659,883	730,910
Purchases of materials for use in production, and packaging and fuel	"	173,365	194,245	204,365	315,640	336,725
Purchases of goods for merchenting or factoring	"	23,163	32,531	38,178	40,215	47,503
Increase during the year, stocks of materials, stores and fuel	"	14,489	6,023	-10,389	9,351	17,092
Cost of industrial services received	"	9,763	10,411	9,063	21,384	26,415
Net output	"	164,486	214,799	292,131	291,996	337,360
Total employment (d)	Thousands	26.2	28.3	27.4	26.7	26.5
Net output per head	£	6,280	7,598	10,650	10,923	12,747
Payments for non-industrial services						
Hire of vehicles, plant and machinery	£ thousand	1,809	2,990	3,885	2,550	2,452
Rents of industrial and commercial buildings	"	(e)	(e)	(e)	2,633	2,712
Commercial insurance premiums	"	821	1,134	1,287	1,739	2,198
Bank charges	"	30	37	111	121	95
Other non-industrial services	"	3,541	11,613	10,215	11,055	18,570
Licensing of motor vehicles	"	30	116	394	161	180
Rates, excluding water rates	"	990	1,347	2,199	2,564	2,662
Gross value added at factor cost	"	157,266	197,561	274,040	271,172	308,489
Gross value added at factor cost per head	£	6,005	6,988	9,990	10,144	11,656

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments with fewer than 20 persons. Satisfactory returns accounted for 88 per cent of employment within the industry.

(b) Included in sales of goods produced.

(c) Details of manufacturers' quarterly sales of principal products are published regularly in Business Monitor PQ 366.

(d) Average number employed, including full and part-time employees (see table 7) and working proprietors.

(e) For 1973-1975 rents of industrial and commercial buildings were not recorded separately, but included in hire of vehicles, plant and machinery.

TABLE 2

Capital expenditure, 1973-1977
All United Kingdom establishments classified to the industry (a)(b)

	1973	1974	1975	1976	1977
Land and buildings					
New building work	1,049	2,645	2,497	3,995	5,193
Land and existing buildings					
Acquisitions	78	2	90	96	655
Disposals	246	-	255	1,372	395
Vehicles					
Acquisitions	234	827	866	1,266	1,410
Disposals	62	115	124	202	303
Plant and machinery					
Acquisitions	4,908	6,443	9,661	9,160	18,484
Disposals	493	109	988	927	2,420
Total net capital expenditure	5,467	9,694	11,747	12,015	22,624

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments with fewer than 20 persons.

(b) Capital expenditure in respect of manufacturing establishments where production had not commenced before the end of the year, is included.

TABLE 3

Stocks and work in progress, 1973-1977
All United Kingdom establishments classified to the industry (a)

	1973	1974	1975	1976	1977
			Increase		Value at end of year
Materials, stores and fuel	14,489	6,023	-10,389	9,351	17,092
Work in progress	13,019	11,114	67	-1,650	8,217
Goods on hand for sale	1,490	3,509	7,620	14,838	-13,119
Total	28,998	20,646	-2,702	22,539	12,190
					212,462

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments with fewer than 20 persons.

TABLE 4

Analysis of establishments by size, 1977
All United Kingdom establishments classified to the industry (a)

Size group (b)	Estab-lish-ments (c)	Enter-prises (c)	Employment			Wages and salaries (f)			
			Total (d)	Opera-tives	Others (e)	Operatives		Others (e)	
						Total	per head	Total	per head
Number	Number	Number	Number	Number	Number	£ thousand	£	£ thousand	£
1-10	65	63	305						
11-19	25	25	369						
20-49	19	19	680	988	1,323	2,944	2,979	6,241	4,717
50-99	13	13	973						
100-199	6	6	902	330	572	1,097	3,325	2,917	5,100
200-399	6	5	1,907	963	944	2,820	2,928	4,872	5,161
400-749	6	6	3,097	831	2,266	3,133	3,770	11,032	4,868
750 and over	5	4	18,232	8,104	10,128	29,907	3,690	48,298	4,769
Total	145	135	26,465	11,216	15,233	39,900	3,557	73,359	4,816

- (a) Including estimates for establishments not making satisfactory returns, non-response and establishments with fewer than 20 persons.
- (b) Average number employed, including full and part-time employees (see table 7) and working proprietors.
- (c) The sum of the figures for the size groups may exceed the total for the industry because some enterprises control establishments in more than one size group.
- (d) Including working proprietors.
- (e) Administrative, technical and clerical employees.

Total sales and work done (g)	Gross output	Net output	Gross value added at factor cost		Net capital expenditure (h)	Total stocks and work in progress at end of year	
			Total	per head			
							£ thousand
£ thousand	£ thousand	£ thousand	£	£ thousand	£ thousand		
42,882	45,502	22,472	9,657	(j)	(j)	1,747	12,137
16,361	16,962	8,225	9,119	24,754(j)	7,666(j)	1,616	3,919
52,150	52,160	16,482	8,643	14,164	7,427	1,460	11,254
81,853	85,233	48,183	15,558	42,809	13,823	3,463	27,810
542,567	531,054	241,998	13,273	226,763	12,438	14,339	157,342
735,813	730,910	337,360	12,747	308,489	11,656	22,624	212,462

- (f) The cost of employers' contributions to national insurance, pensions and welfare schemes and the running costs of canteens, is estimated for the industry at £18,471 thousand. The remuneration of outworkers on returns received was £11 thousand.
- (g) Sales of goods produced, capital goods manufactured, buildings constructed by establishments for their own use, work done, industrial and non-industrial services rendered and merchanted goods.
- (h) New building work plus acquisitions less disposals of land and existing buildings, vehicles and plant and machinery.
- (j) Gross value added data relate to establishments employing 1-199.

TABLE 5

PA366

Regional distribution of employment, net capital expenditure, net output and gross value added at factor cost, 1977
All United Kingdom establishments classified to the industry (a)

Area	Total employment (b)		Net capital expenditure (c)		Net output (d)	Gross value added at factor cost (d)	Gross value added at factor cost returned by establishments with 80 per cent or more of their employment in the region as a proportion of total gross value added at factor cost in the region
	Thousands	per cent of United Kingdom	£ thousand	per cent of United Kingdom	£ thousand	£ thousand	percentage
Standard regions of England							
North	*	*	*	*	*	*	*
Yorkshire and Humberside	0.1	0.2	17	0.1	729	648	—
East Midlands	*	*	*	*	*	*	*
East Anglia	*	*	*	*	*	*	*
South East	11.6	44.0	13,092	57.9	146,079	131,216	33.1
South West	0.4	1.5	296	1.3	3,836	3,141	—
West Midlands	*	*	*	*	*	*	*
North West	*	*	*	*	*	*	*
England	*	*	*	*	*	*	*
Wales	*	*	*	*	*	*	*
Scotland	4.5	17.1	5,730	25.3	65,951	57,800	83.7
Great Britain	26.5	100.0	22,624	100.0	337,360	308,489	/
Northern Ireland	—	—	—	—	—	—	—
United Kingdom	26.5	100.0	22,624	100.0	337,360	308,489	/

- (a) Including estimates for establishments not making satisfactory returns, non-response and establishments with fewer than 20 persons.
 (b) Average number employed, including full and part-time employees (see table 7) and working proprietors.
 (c) New building work plus acquisitions less disposals of land and existing buildings, vehicles and plant and machinery.
 (d) Where a census return covered addresses in two or more regions, an estimate of the net output attributable to each address was made by assuming that net output was proportionate to employment. An estimate for each region was obtained by aggregating estimates of net output for addresses located in that region. Gross value added at factor cost is treated similarly.

TABLE 6

PA366

Percentage analysis of twelve-month periods covered by returns received from United Kingdom establishments employing 20 or more persons, 1977

Accounting year ended	Percentage of total returns received	Percentage of total number employed
	per cent	per cent
1977 April (a)	—	—
May	—	—
June	3.0	0.2
July	3.0	0.2
August	—	—
September	9.1	52.9
October	3.0	0.2
November	6.1	8.1
December	54.6	32.4
1978 January	—	—
February	—	—
March (b)	21.2	6.0

(a) From 6th April.

(b) Including returns made for twelve-month period ended 1st to 5th April 1978.

TABLE 7

Percentage analysis of employees, by full and part-time employment and sex, 1977(a)

Sex	Full-time	Part-time	All employees
	per cent	per cent	per cent
Male	73	—	73
Female	23	4	27

Source: Department of Employment

- (a) The percentages relate to the numbers employed (excluding working proprietors) in the United Kingdom at mid-June, 1976, because 1977 information is not yet available.

Coverage

A return was required in the 1977 Census from each establishment with 20 or more employees. Each establishment is classified to an industry, as defined in the SIC, whose principal products form the major part of the establishment's sales.

Regions

The regions defined in Table 5 take account of the boundary changes arising out of the Local Government Act 1972 and the Local Government Act (Scotland) 1973. These changes came into effect in April 1974 in England and Wales and May 1975 in Scotland.

TERMS USED IN THE CENSUS REPORT

Average number employed

Establishments were required to state the number of persons on the payroll on average during the year of return, whether full-time or part-time employees. Separate figures were required for:

- (a) administrative, technical and clerical employees
- (b) all other employees (operatives)

Averages could be calculated from the figures relating to the last week of each calendar month. Establishments were also required to state the number of working proprietors where appropriate and these are included in total employment figures. Outworkers (ie persons employed by establishments who worked in their own homes etc on materials supplied by the establishment) are excluded. The figures include persons engaged on merchanting or factoring and canteen workers where particulars in respect of these activities could not be excluded from the return.

Working proprietors

These include all persons regarded as "self-employed" for national insurance purposes and members of their families who worked in the business without receiving a wage or salary; but such persons who worked less than half the normal number of working hours are excluded. Directors working in the business but not in receipt of a definite wage, salary or commission are included under this heading: directors paid by fee only are not included.

Employees

Administrative, technical and clerical employees include directors in receipt of a definite wage, salary or commission, managers and works foremen; research and design employees (other than operatives); draughtsmen, editorial staff, advertising staff, travellers and all office employees.

Operatives include all other classes of employees, that is, broadly speaking, all manual wage earners. They include operatives employed in power stations, transport (including roundsmen), warehouses, stores, shops and canteens, inspectors, maintenance workers and cleaners. Operatives engaged in outside work of erecting, fitting etc are also included, but outworkers are excluded.

Capital expenditure

Capital expenditure during the year in respect of manufacturing units where production had not started before the end of the year is included. Establishments were asked not to deduct from the value of capital expenditure amounts received or expected to be received in grants or allowances from the Government or any statutory body or local authority. Establishments with 100 or more employees were asked to include a total net capital expenditure figure for each calendar year.

(a) New building work

This represents the cost incurred during the year of new building and other constructional work to be used in connection with the business covered by the return. The value is that charged to capital account during the year of return; it includes expenditure on new buildings and on the extension or reconstruction of old buildings, the value of works of a capital nature carried out by the establishment's own staff and the cost of any newly constructed buildings purchased. Figures shown include legal charges, stamp duties, agents' commissions, etc.

(b) Land and existing buildings

The items shown are the capital cost of freeholds purchased and the capital cost or premium payable for leaseholds acquired (excluding the value of assets acquired in taking over an existing business), and the amounts receivable for freeholds or leaseholds disposed of. The value is that charged to capital account during the year of return.

(c) Plant, machinery and vehicles

The items shown are the value of plant and machinery and of vehicles acquired, both new and second-hand, and the amount received for items disposed of during the year. The value of plant and machinery acquired includes plant, etc which firms produced for their own use in connection with the business covered by the return. The value of plant, etc acquired is the expenditure charged to capital account during the year of return less any discounts received, but including the cost of transport and installation. Deductible value added tax is excluded but non-deductible value added tax on motor cars acquired is included. No deduction is made for depreciation, amortization or obsolescence. The proceeds of items disposed of during the year exclude amounts written-off for items scrapped.

Cost of industrial services

This includes amounts payable to other firms for work done on materials supplied by the establishment, payments for repairs and maintenance (including those in respect of rented buildings) and amounts paid to other firms for contracts which have been sublet. Payments to outworkers are excluded.

Cost of non-industrial services

This includes rents of industrial and commercial buildings, hire of plant, machinery and vehicles (excluding vehicles hired with drivers), commercial insurance premiums, bank charges and amounts paid for professional services, post office services, transport (within the United Kingdom), advertising etc. Amounts payable on royalties for the right to use patents, trademarks, copyrights etc, manufacturing and quarrying rights and technical "know-how" are also included.

Gross output

In the calculation of gross output the value of total sales and work done is increased by the rise (or reduced by the fall) during the year in the value of work in progress and goods on hand for sale.

Net output

Net output, a customary census measure, is calculated by deducting from gross output the cost of purchases (reduced by the rise, or increased by the fall, during the year of stocks of materials etc) and the cost of industrial services received, and where applicable, duties etc.

Net output per head

The figures of net output per head are derived by dividing the net output by the average number of persons employed (full and part-time) on all activities covered by the returns, including operatives, administrative, technical and clerical employees and working proprietors, but excluding outworkers.

Gross value added at factor cost

Gross value added at factor cost is calculated by deducting from net output the cost of non-industrial services eg rent of buildings, hire of plant, machinery and vehicles (excluding vehicles hired with drivers), commercial insurance premiums, bank charges and amounts paid for professional services, post office services, transport (within the United Kingdom) and advertising, rates (excluding water rates) and the cost of licensing motor vehicles. This estimate of gross value added approaches more closely than census net output to the definition of net output or value added in national accounts statistics.

Gross value added at factor cost per head

The figures of gross value added at factor cost per head are derived by dividing the gross value added by the average number of persons employed (full and part-time) on all activities covered by the returns, including operatives, administrative, technical and clerical employees and working proprietors, but excluding outworkers.

Purchases

Purchases include the cost of raw materials, components, semi-manufactured goods and workshop materials; of replacement parts and consumable tools not charged to capital account; of packaging materials of all types; of stationery and printed matter; of fuel, electricity and water; of materials to be used by the establishment or given out to other establishments for the production of machinery or other capital items for the establishment's own use; of materials for use by the establishment when working on goods supplied by

customers; and of food, etc for any canteen covered by the establishment's return. Transfers of goods to the establishment from another department of the same firm not covered by the establishment's return are included at a cost corresponding to the estimated selling value recorded by the other department. Amounts payable to transport firms or credited to the firm's own transport department for delivery of materials are excluded, as are all purchases of machinery and plant charged to capital account. Purchases of goods for merchanting or factoring have been collected separately since 1973. The values shown exclude VAT. They include, in addition to the actual purchase price, the value of packaging material charged to the establishment. The value of returned goods or packaging material returned to suppliers and any trade discounts are excluded. Materials purchased duty-paid are included at their duty-paid value, less any drawback, rebate, etc. The cost of transport is included only if it is included with the purchase price in the firm's accounts. Imported goods are included at their full delivered cost. If in the firm's accounts the transport from docks or airport is not included in the cost of goods purchased, the cost is entered at cif plus duty (if applicable). Leasing, renting and hire purchase charges are excluded.

Sales of goods produced

Sales for the purposes of the annual censuses means deliveries on sale of goods made by establishments in the United Kingdom covered by the inquiry. Sales of goods made for these establishments by outworkers or by other establishments from materials given out to them and sales of waste products are included. New building work and machinery or other capital items produced by establishments for hiring out or leasing are regarded as sales, the value included in the return being that adopted in the establishments' capital asset accounts. Forward sales and canteen takings are excluded. All sales in the period of the inquiry are included irrespective of when the goods were manufactured. Goods produced in one establishment and transferred either to ancillary departments not engaged in production for which there are separate accounts, or to another establishment of the same firm not covered by the return, are treated as sales by the producing establishment and valued as far as possible as if they had been sold to an independent purchaser. Goods transferred to wholesale or retail selling organisations, for which separate accounts are kept are valued on the same basis. The value shown for sales in the "net selling value" defined as the amount (excluding VAT) charged to customers whether on an ex-works or delivered basis, after any trade discounts and agents' commissions have been deducted. The cost of packing materials less allowance for returnable cases is included. In industries where products attract Excise Duty the value stated is usually inclusive of duty if sold duty-paid and exclusive of duty if sold in bond or exported.

Receipts for work done and industrial services rendered

Figures for work done represent the amount charged for work carried out on materials supplied by a customer and include repair work. Within certain industries this heading covers a wide variety of activities, for example, within the food sector - butter packed on commission; within the textile industries - making up of garments, fur dressing and textile finishing; within printing and publishing - preparatory work on type-setting, block making and binding. Work done is also significant in the electrical machinery and heavy engineering industries, covering erection, installation and repair and jobbing work. Other activities within this heading include exploration work, research and development, glass cutting and dressing and planing of timber.

Industrial services rendered include repairs and maintenance, installation work, and technical research and studies for other organisations.

Capital goods produced for establishments' own use

This includes all work of a capital nature carried out during the year by the establishments' own staff for their own use.

Non-industrial services rendered

This includes rents received for commercial and industrial buildings, amounts charged for hiring out plant, machinery and vehicles and other goods and amounts charged to other organisations for the provision of transport. It also includes amounts received for the right to use patents, trademarks, copyrights etc, manufacturing and quarrying rights and technical "know-how" and revenue from such staff facilities as canteens.

Goods merchanted or factored

Merchant goods are those (excluding canteen sales) sold without

having been subjected to any manufacturing process by the seller.

Stocks and work in progress

Values are given of stocks of goods on hand for sale and of materials, stores and fuel, at the end of the year of return and of the change during the year, including any stocks of goods held for merchanting or factoring. Work in progress is defined as materials which have been partially processed by the establishment but which are not usually sold or transferred to another establishment without further processing. The values include the cost of materials consumed and labour used, together with a margin of overhead costs and profits. Progress payments made to sub-contractors are excluded and progress payments received from other organisations are not deducted.

Wages and salaries

These are amounts paid during the year to operatives and to administrative, technical and clerical employees. Payments to working proprietors, whether called salaries or not, are excluded. The values shown include all overtime payments, bonuses, commissions and holiday pay, whether paid regularly or not, and no deduction is made for income tax, insurances, contributory pensions etc. The value of redundancy payments less any amounts reimbursed from Government sources is included. The value of any payments in kind, travelling expenses etc is excluded.

Remuneration paid to outworkers

The remuneration paid to outworkers (ie persons employed by the establishment who do their work in their own homes) is generally on a piece-work basis. Only amounts paid to outworkers whose names appear on the establishment's payroll are included. Amounts paid to outworkers by sub-contractors are excluded.

Employers' insurance and welfare contributions

This item includes employers' contributions to national insurance (and/or earnings related basic contributions under the Social Security Pensions Act, 1975) and commercial insurance premiums to provide pensions, superannuation or other retirement benefits, sickness benefits, personal accident benefits, disability or death benefits for employees or former employees or their dependants. Contributions to the running costs of canteens, social centres, children's and holiday homes, etc for employees, former employees and their dependants are also included.

Operating ratios

The operating ratios shown were obtained by dividing the estimate of the industry total for the quantity shown in the numerator by the corresponding estimate for the quantity shown in the denominator. These estimates cover all establishments classified to the industry, including exempted establishments and non-respondents. Within an industry, it is possible to compare ratios for an individual firm with the ratios shown for the relevant industry. However, it is important to bear in mind that various factors may affect the results - for example, differences in definitions, treatment of depreciation (which is not identified in the census data) and varying practise with regard to stock valuation, may affect comparability in some respects.

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