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Business Monitor

A publication of the Government Statistical Service

Report on the Census of Production

Iron castings, etc.



Department of Industry
Business Statistics Office

HMSO

PA313

Business Monitor

A publication of the Government Statistical Service

Special Note for Purchasers

Commencing with the 1971 Census, the Census of Production reports are being numbered in a uniform series embracing all industrial inquiries in the Business Monitor series. These Business Monitors have a code P (for production) followed first by A (indicating that it is an annual series) or Q (quarterly) or M (monthly): and then by a number indicating the minimum list heading, or sub-division of a minimum list heading, of the Standard Industrial Classification (revised 1968).

The Census of Production (PA) reports are available on standing order (details on application to Her Majesty's Stationery Office, P.O. Box 569, London SE1 9NH. Telephone 01-928 6977), although they are not included in the global subscription arrangements for the Business Monitor series.

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A service of statistical information and advice is provided to the Government by specialist staffs employed in the statistics divisions of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Departments concerned.

Enquiries:

Business Statistics Office

Cardiff Road

Newport, Gwent

NPT 1XG

Newport 56111 (STD code 0633) ext 2455

Telex 497121/497122

Answer Back BSO Newport

Report on the Census of Production 1972

Iron castings ,etc.

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 1975

List of Industry Reports, etc.

PA1001	Introductory notes	PA370	Shipbuilding and marine engineering
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PA103	Chalk, clay, sand and gravel extraction		Trailers, caravans and freight containers
PA104	Petroleum and natural gas	PA382	Motor cycle, tricycle and pedal cycle manufacturing
PA109	Miscellaneous mining and quarrying		Aerospace equipment, manufacturing and repairing
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PA212	Bread and flour confectionery	PA384	carriages, wagons and trams
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PA279.7	Photographic chemical materials	PA445	Dresses, lingerie, infants' wear, etc.
PA311	Iron and steel (general)	PA446	Hats, caps and millinery
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PA339.2	Printing, bookbinding and paper goods machinery	PA475	Wooden containers and baskets
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PA339.7	Food and drink processing machinery and packaging and bottling machinery	PA481	Paper and board
PA339.9	Miscellaneous (non-electrical) machinery Scales and weighing machinery and portable power tools	PA482.1	Cardboard boxes, cartons and fibre-board packing cases
PA341	Industrial (including process) plant and steelwork Process plant engineering contractors	PA482.2	Packaging products of paper and associated materials
PA342	Ordnance and small arms	PA483	Manufactured stationery
PA349.1	Ball and roller bearings	PA484.1	Wallcovering
PA349.2	Precision chains and other mechanical engineering	PA484.2	Miscellaneous manufactures of paper and board
PA351	Photographic and document copying equipment	PA485	Printing and publishing of newspapers and periodicals
PA352	Watches and clocks	PA489	General printing, publishing, etc.
PA353	Surgical instruments and appliances	PA491	Rubber
PA354	Scientific and industrial instruments and systems	PA492	Linoleum, plastics floor-covering, leathercloth, etc.
PA361	Electrical machinery	PA493	Brushes and brooms
PA362	Insulated wires and cables	PA494.1	Toys, games and children's carriages
PA363	Telegraph and telephone apparatus and equipment	PA494.3	Sports equipment
PA364	Radio and electronic components	PA495	Miscellaneous stationers' goods
PA365	Gramophone records and tape recordings Broadcast receiving and sound reproducing equipment	PA496	Plastics products
PA366	Electronic computers	PA499.1	Musical instruments
PA367	Radio, radar and electronic capital goods	PA499.2	Miscellaneous manufacturing industries
PA368	Electrical appliances primarily for domestic use	PA601	Gas
PA369	Electrical equipment for motor vehicles, cycles and aircraft Primary and secondary batteries Electric lamps, electric light fittings, wiring accessories, etc.	PA602	Electricity
		PA603	Water supply
		PA1002	Summary tables

The information in this report relates to establishments classified to the Iron castings, etc. industry, minimum list heading 313 in the Standard Industrial Classification (revised 1968). The activities of the industry include:-

Manufacturing pig iron and iron castings. Blast furnaces forming part of integrated steel or tube works are, however, not included and for this reason establishments in this industry account for only a part of the total production of pig iron.

One manufacturing unit engaged in the Iron castings industry, which made separate returns to the 1970 and 1971 censuses has for 1972, been included in the return of a multi-unit establishment classified to another industry. This largely accounts for the changes between 1971 and 1972.

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

PA313 2

Input and output, 1970, 1971 and 1972

All United Kingdom establishments classified to the industry (a)

	Unit	1970	1971	1972
Enterprises	Number	973	918	873
Establishments	"	1,044	1,026	973
Sales of goods produced and work done	£'000	417,826	422,975	375,844
Services rendered to other organisations (b)	"	941	997	1,074
Goods merchanted or factored	"	7,688	9,140	8,185
Canteen takings	"	512	548	474
Total sales and work done	"	426,967	433,660	385,577
Increase during the year, work in progress and goods on hand for sale	"	3,804	- 1,469	2,839
Gross output	"	430,771	432,192	388,417
Cost of purchases	"	210,856	207,376	179,343
Increase during the year, stocks of materials, stores and fuel	"	4,873	2,389	- 26
Payments to other organisations for work done on materials given out	"	3,920	4,068	3,665
for transport by road	"	7,533	7,920	6,870
for transport by rail, water, air and Post Office parcel services	"	2,050	1,930	1,862
Total costs	"	219,486	218,905	191,766
Net output	"	211,285	213,287	196,650
Total employment (including working proprietors) (c)	Thousands	106.2	99.3	83.1
Net output per head	£	1,989	2,148	2,367

(a) For 1972, estimates for establishments not making satisfactory returns and for establishments employing less than 25 persons, accounted for 17 per cent of the total figures in which they were incorporated: of this unsatisfactory returns accounted for 9 per cent.

(b) Amounts charged for hiring out plant, machinery or other goods, for providing transport, or for any technical or other services rendered.

(c) Average number employed (full and part time; see table 6) during the year (including working proprietors) by the establishment.

TABLE 2

PA313 3

Capital expenditure and stocks, 1970, 1971 and 1972

All United Kingdom establishments classified to the industry (a)

	1970	1971	1972	£'000
Capital expenditure (b)				
New building work	2,707	2,317	1,590	
Land and existing buildings				
Acquisitions	1,080	456	100	
Disposals	804	1,537	812	
Plant and machinery				
Acquisitions	16,991	19,545	11,460	
Disposals	545	552	322	
Vehicles				
Acquisitions	1,470	1,568	1,621	
Disposals	494	539	623	
Total net capital expenditure (c)	20,406	21,258	13,013	
Increase in stocks and work in progress, 1970, 1971 and 1972 and value of stocks and work in progress at end of 1972	Increase	Increase	Increase	Value at end of year
Materials, stores and fuel	4,873	2,389	-26	24,437
Work in progress	2,315	-1,286	4,020	17,413
Goods on hand for sale	1,489	-183	- 1,180	12,952
Total	8,677	920	2,813	54,802

(a) Including estimates for establishments not making satisfactory returns and for establishments employing less than 25 persons.

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

(c) Acquisitions less disposals.

TABLE 3

Analysis of establishments by size, 1972

All United Kingdom establishments classified to the industry (a)

Size group (b)	Estab-lish-ments	Enter-prises (c)	Total employment (b)	Employees		Wages and salaries		Wages and salaries per head		Total sales and work done (e)	Gross output	Net output	Net output per head	Capital expen-diture (net) (f)	Total stocks and work in progress at end of year
				Operatives	Others (d)	Operatives	Others (d)	Operatives	Others (d)						
	Number	Number	Number	Number	Number	£'000	£'000	£	£	£'000	£'000	£'000	£	£'000	£'000
1-10	315	308	1,700	14,387	2,760	19,624	4,761	1,364	1,725	66,972	67,034	36,950	2,055	2,222	5,620
11-24	293	289	5,172												
25-49	105	104	3,992												
50-99	104	101	7,111												
100-199	70	64	9,005	7,377	1,603	10,386	2,875	1,407	1,793	37,229	37,301	21,066	2,339	1,632	3,766
200-299	31	30	7,548	6,108	1,438	8,654	2,638	1,416	1,834	33,915	35,058	17,992	2,383	1,311	4,811
300-499	25	19	10,461	8,357	2,104	12,607	3,818	1,509	1,815	47,900	47,845	23,845	2,279	1,576	7,198
500-749	10	9	6,782	5,416	1,366	8,592	2,469	1,586	1,807	37,399	37,481	17,312	2,552	488	4,980
750-999	7	7	6,780	5,477	1,303	9,028	2,180	1,648	1,673	36,131	35,710	15,262	2,251	820	4,001
1,000 and over	13	8	24,515	19,464	5,051	30,853	8,939	1,585	1,769	126,032	127,988	64,223	2,619	4,965	24,424
Total	973	873	83,066	66,586	15,625	99,745	27,681	1,497	1,771	385,577	388,417	196,650	2,367	13,013	54,802

(a) Including estimates for establishments not making satisfactory returns and for establishments employing less than 25 persons.

(b) Average number employed (full and part time; see table 6) during the year (including working proprietors) by the establishment.

(c) Some enterprises control establishments in more than one size group: the sum of the figures for the size groups will therefore exceed the total for the industry.

(d) Administrative, technical and clerical employees.

(e) Including sales of goods merchanted or factored, canteen takings and services rendered to other organisations (amounts charged for hiring out plant, machinery or other goods, for providing transport, or for any technical or other services rendered).

(f) Acquisitions less disposals.

Regional distribution of employment, net capital expenditure and net output, 1972
All United Kingdom establishments classified to the industry

Area	Average number employed (a)		Net capital expenditure (b)		Net output and employment in the region of establishments with more than 80 per cent of their employment in the region (c)		
	Thousands	per cent of United Kingdom	£'000	per cent of United Kingdom	Estimated net output	Average number employed as a percentage of total average number employed in the industry in the region	Net output as percentage of total of the industry in the United Kingdom
Standard regions of England							
North	4.3	5.2	*	*	11,084	88.5	5.6
Yorkshire and Humberside	*	*	*	*	*	*	*
East Midlands	20.6	24.8	3,658	28.1	45,519	93.5	23.2
East Anglia	*	*	*	*	*	*	*
South East	7.3	8.7	790	6.1	12,410	66.2	6.3
South West	*	*	*	*	*	*	*
West Midlands	24.9	30.0	3,053	23.5	49,414	78.6	25.1
North West	4.5	5.4	567	4.4	5,237	66.2	2.7
England	72.2	87.0	10,452	80.3	138,976	80.5	70.7
Wales	*	*	*	*	*	*	*
Scotland	8.1	9.7	2,115	16.3	12,430	78.0	6.3
Great Britain	*	*	*	*	*	*	*
Northern Ireland	*	*	*	*	*	*	*
Unallocated (d)	-	-	-	-	39,356	-	20.0
United Kingdom	83.1	100.0	13,013	100.0	196,650		100.0

(a) Average number employed (full and part time; see table 6) during the year (including working proprietors) by the establishment.

(b) New building work plus acquisitions less disposals of land and existing buildings, plant and machinery and vehicles.

(c) Where a census return covered addresses in two or more regions an estimate was made of the net output attributable to the region only where more than 80 per cent of the establishment's employees were located in the region. The estimate was made by assuming that net output at each address covered by a return was proportionate to employment at the address. The establishment's residual net output was included in unallocated net output.

(d) Includes estimates of net output for establishments not making satisfactory returns and establishments employing less than 25 employees, and unallocated net output of establishments covering addresses in two or more regions.

TABLE 5

PA313 6

Percentage analysis of twelve-month periods covered by returns received from United Kingdom establishments employing 25 or more persons, 1972

Accounting year ended	Percentage of total returns received	Percentage of total number employed
	per cent	per cent
1972 April (a)	2.0	0.9
May	1.6	0.6
June	4.9	1.7
July	6.2	13.9
August	2.3	1.0
September	9.5	10.9
October	2.6	0.7
November	2.0	0.7
December	36.3	33.3
1973 January	2.6	2.4
February	1.0	0.3
March(b)	29.0	33.6
	100.0	100.0

(a) From 6th April

(b) Including returns made for twelve-month period ended 1st to 5th April 1973

TABLE 6

Percentage analysis of employees, by full and part time employment and sex, 1972 (a)

Sex	Full time	Part time	All employees
	per cent	per cent	per cent
Male	89	1	90
Female	8	2	10
	97	3	100

Source: Department of Employment

(a) The percentages relate to the numbers employed (excluding working proprietors) in the United Kingdom at mid-June, 1972

TABLE 7

PA313 7

Sales of principal products of the industry by establishments employing 25 or more persons, including sales by establishments classified to other industries, 1972.

Does not apply

For this industry, the quarterly inquiry into manufacturers' sales has not yet commenced.

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Notes

These notes give the main information needed for interpreting the figures in the industry reports, (more detailed information about the census is given in a separate booklet—"Introductory Notes", Part PA 1001 of the Report on the Census of Production for 1972).

GENERAL INFORMATION

Changes made for 1972

There were only minor changes in the scope of certain industry reports compared with 1971. Any such changes are explained in the introductions to the industry reports concerned or by footnotes to the tables.

Industrial classification

The Annual Censuses of Production are conducted on the Business Statistics Office's Production Register. Normally establishments on the Register are classified to industries on the basis of major activity in conformity with the Standard Industrial Classification (revised 1968). Generally an establishment is classified to an industry if its sales of the principal products of that industry accounts for a greater proportion of its total sales than its sales of the principal products of any other industry; classification is generally based on an establishment's returns to the quarterly production inquiry. Where this is not possible—for example where a quarterly production inquiry has not been introduced—the classification of an establishment reflects its return to the Census of Production, 1968. Establishments for which information is not available either from the quarterly inquiries or the 1968 Census are classified on the basis of the description of the business given by the establishments to the Business Statistics Office, for instance, in the course of registration.

Coverage

Detailed census returns were generally sought only from establishments employing on average 25 or more persons, but in some industries where firms employing less than 25 persons account for a relatively high proportion of total employment and output the exemption limit was lowered to 11. Census returns were also sent to establishments whose employment was not known to the Business Statistics Office at the time of dispatch.

TERMS USED IN THE CENSUS REPORT

Average number employed

Establishments were required to state the number of persons on the payroll (i.e. whose national insurance cards were held by them) on the average during the year of return, whether full-time or part time employees. Separate figures were required for (a) administrative, technical and clerical employees and (b) all other employees (operatives). Averages could be calculated from 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 (i.e. persons employed by establishments who worked in their own homes etc. on materials supplied by the establishments) 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 managing and other directors in receipt of a definite wage, salary or commission, managers, superintendents and works foremen; research, experimental development, technical and design employees (other than operatives); draughtsmen and tracers; editorial staff, staff reporters, canvassers, competition and advertising staff; travellers; and office (including works office) employees.

Operatives include all other classes of employees, that is, broadly speaking, all manual wage earners. They include those employed in and about the factory or works: operatives employed in power houses, transport work (including roundsmen), stores, warehouses, shops and canteens; inspectors, viewiers and similar workers; maintenance workers and cleaners. Operatives engaged in outside work of erecting, fitting etc. are also included, but out-workers 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 in the figures for both 1970, 1971 and 1972.

Establishments were asked to include in the value of capital expenditure, amounts received under the Local Employment Acts, 1960 to 1971 and any investment grants received under the Industrial Development Act, 1966 or regional development grants under the Industry Act, 1972.

(a) New building work

This represents the cost incurred during the year of new building and other constructional work (including office buildings, canteens and the like used in connection with the business covered by the return, but not dwelling houses for employees). The value is that charged to capital account during the year of return; it includes expenditure on new buildings or 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 any 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 of premium payable for leaseholds acquired (excluding the value of any assets acquired in taking over an existing business), and the amounts receivable for any 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 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. 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.

Enterprise

The term enterprise is used in this report to mean one or more establishments under common ownership or control (as defined in the Companies Act 1948) making returns to the census. An enterprise may consist of a single establishment, or of more than one establishment owned by one legal unit, usually a company, or of a number of establishments owned by a parent company and subsidiary company or companies. Information about the relationship between constituent companies of enterprises was obtained mainly from published sources such as the Stock Exchange Year Book supplemented by information from company reports and information supplied by establishments. The information available is not complete but covers the largest and most important groups of industrial establishments and is believed sufficient to provide a worthwhile basis for analysis.

Establishment

The definition of an establishment in 1970, 1971 and 1972 was that of the Standard Industrial Classification (revised 1968): "the smallest unit which can provide the information normally required for an economic census, for example, employment, expenses, turnover, capital formation". Sometimes activities which are conducted as a single business are carried on at a number of addresses, termed local units. Where the activities of such a business are closely integrated, and detailed census information is not available for each unit, it is treated as a multi-unit establishment and a single return accepted. Separate figures are obtained, however, of employment and net capital expenditure at each unit.

Gross output

Gross output measures the total value of production (including work done) by establishments during the year. It is calculated as follows:—

Value of sales and work done
Plus/Less: Increase/decrease in value of stocks of goods on hand for sale
Plus/Less: Increase/decrease in value of work in progress
= Gross output.

Net output

Net output represents the value added to materials by the process of production (including the margin on selling any merchanted or factored goods). It is calculated as follows:—

Gross output
Less: Purchases adjusted for change in value of stocks of fuel and raw materials
Less: Payments for work given to other establishments
Less: Payments for transport
Less: Net amount of any duties, subsidies, allowances and levies payable
= Net output.

Net output per person employed

The figures of net output per person employed are derived by dividing the net output by the average number of persons employed (full time 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 materials and components bought for use in production; of fuel and electricity for all purposes; of packaging materials including the cost of returnable cases and containers when first purchased; of workshop materials, office materials and materials for repairs to establishment's own buildings, plants and vehicles when carried out by their own work people included in the returns; of consumable tools; and of parts for machinery purchased during the year as replacements. Water charges are also included. In general, purchases of goods for merchanting or factoring and canteen supplies are included. Materials supplied by customers for processing are excluded, as are all purchases charged to capital account.

The values shown include any duty paid (less rebate, etc.) but exclude trade discounts allowed. The cost of transport is included only if included in the cost of materials as invoiced: amounts paid to transport organisations, including an establishment's own separate transport organisations for delivery of materials and fuel are, therefore, excluded. Materials purchased overseas are included at the c.i.f. cost plus any duty payable if the cost of transport from the docks was not included in the invoiced price, but at their full delivery cost if invoiced "carriage paid home". Materials and fuel transferred from another department of the establishment not covered by the same return are included at the estimated selling value recorded by the other department.

Sales

Sales are in respect of goods made by the business covered by the return, goods made for it by outworkers or by other establishments from materials given out to them (sometimes described as goods made on commission) and waste products. Any machinery or other capital items produced for use in the business covered by the return are included, the value being that adopted in the establishment's asset accounts. Goods sold without being subjected to any manufacturing process (i.e. merchanted or factored) and canteen takings are included.

The value shown for sales is the net selling value, defined as the amount charged to customers whether on an ex-works or delivered basis excluding any trade discounts, agents' commissions, allowances for returnable cases, purchase tax, etc.; the net amount charged for packaging materials is included. Goods charged on a delivered basis to customers overseas are included at the f.o.b. value.

Goods produced in one establishment and transferred to another establishment of the same firm not covered by the return were 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 were kept were valued on the same basis.

To the extent that sales of finished products of one establishment constitute the materials purchased by another, total figures of

the value of sales (and of materials and fuel purchased) include an element of duplication. In some industries, e.g. motor vehicle manufacturing, and woollen and worsted, this duplication is substantial; and aggregates for a number of industries contain significant amounts of duplication. For work done on commission, sub-contract work, etc., the value shown is the total amount charged for the work, including the value of any materials bought and used in such work.

Services rendered

This represents the amounts charged for hiring out plant, machinery and other goods, providing transport, or for any technical or other services rendered to other organisations. It includes amounts credited for similar services rendered to other establishments of the same enterprise not covered by the return.

Standard Industrial Classification

Industry classification is based on the Standard Industrial Classification (revised 1968). It is published by HM Stationery Office together with a separate index in the form of an alphabetical list of industries.

Stocks and work in progress

Values are given of stocks of goods on hand for sale, and of materials and fuel, at the end of the year of return, including any stocks of goods held for merchanting or factoring. Values of the change during the year are also shown. The values include duty in the case of dutiable goods held out of bond.

The value of work in progress at the end of, and the change during the year are also usually shown. This excludes any progress payments made to sub-contractors, and no deduction is made on account of progress payments received.

Transport payments

These represent the total amount paid or credited during the year for both outwards transport of finished goods sold and inwards transport of materials and fuel purchased. They include payment to other establishments, and to any separate transport organisation of the same establishment not covered by the return, but exclude the value of transport services provided by the business covered by the return. The items included are payments for hired cartage and for inwards and outwards carriage by all forms of inland transport, i.e. railways, road haulage, canals, coastwise shipping, air, etc. Payments made for sea and air freight on goods sold to customers overseas and on materials and fuel purchased from overseas suppliers are excluded.

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 and commissions, whether paid regularly or not, and no deduction is made for income tax, insurances, contributory pensions, etc. The value of any payments in kind, travelling expenses, lodging allowances, etc. and employers' contributions to national insurances and pension schemes is excluded.

Work given out

The figures shown represent the total amount paid for work done by other establishments (whether part of the same enterprise or not) on materials supplied to them. They do not include payments to individual outworkers or payments for business and other services.

SYMBOLS USED

The following symbols are used throughout the report:

- .. not available
- nil or less than half the final digit shown
- * figures cannot be shown owing to the risk of disclosing information about individual enterprises
- R revised

ROUNDING OF FIGURES

Figures in the tables have, where necessary, been rounded to the nearest final digit; there may be an apparent slight discrepancy between the sum of the constituent items and the total shown.

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