

PA272

S 42 (HA251)

42

R834

1976

BRITISH LIBRARY  
10 OCT 1979  
OF POLITICAL AND  
ECONOMIC SCIENCE

Business Statistics Office

# Business Monitor

## Report on the Census of Production

### Pharmaceutical chemicals and preparations

HMSO



A publication of the Government Statistical Service

PAZ/1.3 Miscellaneous chemicals



The information in this report relates to establishments classified to the Pharmaceutical chemicals and preparations industry, minimum list heading 272 in the Standard Industrial Classification (revised 1968). The activities of the industry include:—

Manufacturing products for therapeutic and prophylactic use (including veterinary) and chemicals for compounding into such products, including the same chemicals when used subsequently as additives to foods and drinks.

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

**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.

**Government Statistical Service**

A service of statistical information and advice is provided to the Government by specialist staffs employed in the statistics division 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  
Newport, Gwent  
NPT 1XG  
Newport 56111 (STD code 0633) ext 2455  
Telex 497121  
Answer Back BSONPT G

**LIST OF CONTENTS**

Table No	Title	Page
1	Output and costs, 1973 - 1976	2
2	Capital expenditure, 1973 - 1976	3
3	Stocks and work in progress, 1973 - 1976	3
4	Analysis of establishments by size, 1976	4-5
5	Regional distribution of employment, net capital expenditure, net output and gross value added at factor cost, 1976	6
6	Percentage analysis of twelve-month periods covered by returns received from United Kingdom establishments employing 20 or more persons, 1976	7
7	Percentage analysis of employees, by full and part-time employment and sex, 1976	7



TABLE 1

PA272

Output and costs, 1973 - 1976  
All United Kingdom establishments classified to the industry (a)

	Unit	1973	1974	1975	1976
Enterprises	Number	281	296	286	294
Establishments	"	308	326	324	326
Sales of goods produced	£ thousand	636,837	757,578	928,773	1,112,915
Receipts for work done and industrial services rendered	"	(b)	(b)	(b)	4,451
Capital goods produced for establishments' own use	"	3,800	4,703	9,730	7,936
Non-industrial services rendered	"	4,309	5,233	6,174	9,240
Goods merchanted or factored	"	50,738	69,376	69,148	93,956
<b>Total sales and work done (c)</b>	"	<b>695,684</b>	<b>836,890</b>	<b>1,013,825</b>	<b>1,228,498</b>
Increase during the year, work in progress and goods on hand for sale	"	13,230	51,018	40,438	29,768
<b>Gross output</b>	"	<b>708,914</b>	<b>887,908</b>	<b>1,054,263</b>	<b>1,258,266</b>
Purchases of materials for use in production, and packaging and fuel (d)	"	299,241	401,040	441,387	516,325
Purchases of goods for merchenting or factoring	"	42,677	57,685	54,048	81,069
Increase during the year, stocks of materials, stores and fuel	"	12,929	43,044	2,912	20,855
Cost of industrial services received	"	9,721	15,954	17,374	18,196
<b>Net output</b>	"	<b>370,205</b>	<b>456,273</b>	<b>544,368</b>	<b>663,532</b>
Total employment (e)	Thousands	61.5	66.8	66.4	64.8
<b>Net output per head</b>	£	<b>6,019</b>	<b>6,829</b>	<b>8,194</b>	<b>10,234</b>
Payments for non-industrial services					
Rents, hire of plant and machinery (f)(g)	£ thousand	2,959	3,263	5,242	5,960
Commercial insurance premiums	"	2,824	3,909	4,391	5,341
Bank charges	"	192	418	547	435
Other non-industrial services (e)	"	45,144	56,355	72,389	83,093
Licensing of motor vehicles	"	163	185	219	258
Rates, excluding water rates	"	3,493	4,949	6,399	7,836
<b>Gross value added at factor cost</b>	"	<b>315,429</b>	<b>387,194</b>	<b>455,181</b>	<b>560,609</b>
<b>Gross value added at factor cost per head</b>	£	<b>5,128</b>	<b>5,796</b>	<b>6,851</b>	<b>8,647</b>

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments exempt because of size. Satisfactory returns accounted for 93 per cent of employment within the industry.

(b) Figures included with sales of goods produced.

(c) Details of manufacturers' sales of principal products are published regularly in Business Monitor PQ272.

(d) Net of duty paid.

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

(f) 1973 figures include hire of vehicles.

(g) For 1973-1975 rents of industrial and commercial buildings were not recorded separately. For 1976 the amount payable was £3,057 thousand.

(h) 1974-1976 figures include the cost of hiring goods vehicles.

TABLE 2

PA272

Capital expenditure, 1973 - 1976  
All United Kingdom establishments classified to the industry (a)(b)

	1973	1974	1975	1976
Land and buildings				
New building work	9,987	19,043	23,783	17,978
Land and existing buildings				
Acquisitions	630	1,497	863	1,794
Disposals	386	79	253	1,812
Vehicles				
Acquisitions				
Motor cars	2,510	3,095 )	3,866	4,950
Other vehicles	405	499 )		
Disposals				
Motor cars	1,042	1,121 )	1,513	2,102
Other vehicles	67	34 )		
Plant and machinery				
Acquisitions	21,540	31,614	45,888	46,101
Disposals	515	306	445	879
<b>Total net capital expenditure</b>	<b>33,061</b>	<b>54,208</b>	<b>72,192</b>	<b>66,030</b>

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments exempt because of size. Satisfactory returns accounted for 93 per cent of employment within the industry.

(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 - 1976  
All United Kingdom establishments classified to the industry (a)

	1973	1974	1975	1976	Value at end of year
			Increase		
Materials, stores and fuel	12,929	43,044	2,912	20,855	120,934
Work in progress	5,619	19,032	20,286	18,961	110,679
Goods on hand for sale	7,611	31,986	20,152	10,807	108,158
<b>Total</b>	<b>26,159</b>	<b>94,062</b>	<b>43,350</b>	<b>50,623</b>	<b>339,770</b>

(a) Including estimates for establishments not making satisfactory returns, non-response and establishments exempt because of size. Satisfactory returns accounted for 93 per cent of employment within the industry.



TABLE 4

PA272

Analysis of establishments by size, 1976  
All United Kingdom establishments classified to the industry (a)

Size group (b)	Establishments (c)	Enterprises (c)	Employment			Wages and salaries (f)			
			Total (d)	Operatives	Others (e)	Operatives		Others (e)	
						Total	per head	Total	per head
Number	Number	Number	Number	Number	£ thousand	£	£ thousand	£	
1 - 10	138	135	601 )						
11 - 19	44	43	645 )						
20 - 49	29	29	897 )	2,742	1,798	5,543	2,022	5,670	3,153
50 - 99	36	35	2,622 )						
100 - 199	19	18	2,689	1,720	969	3,661	2,128	3,115	3,215
200 - 299	13	13	3,205	1,759	1,446	3,472	1,974	5,170	3,575
300 - 399	10	10	3,508	1,887	1,621	4,087	2,166	6,034	3,723
400 - 499	6	6	2,765	1,634	1,131	4,240	2,595	3,985	3,523
500 - 749	13	12	7,943	4,474	3,469	12,889	2,881	13,253	3,820
750 - 999	5	5	4,536	2,162	2,374	5,647	2,612	9,095	3,831
1,000 - 1,499	4	4	4,542	2,362	2,180	6,171	2,613	7,598	3,485
1,500 - 2,999	4	4	8,417	4,550	3,867	13,528	2,973	15,032	3,887
3,000 and over	5	5	22,464	10,559	11,905	30,406	2,880	45,116	3,790
<b>Total</b>	<b>326</b>	<b>294</b>	<b>64,834</b>	<b>33,849</b>	<b>30,760</b>	<b>89,643</b>	<b>2,648</b>	<b>114,068</b>	<b>3,708</b>

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

PA272

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				
							Total	per head
£ thousand	£ thousand	£ thousand	£	£ thousand	£ thousand			
83,317	84,950	35,376	7,424	(j)	(j)	3,969	18,728	
42,557	43,086	20,459	7,608	42,175	5,658	1,125	8,805	
49,566	51,026	27,572	8,603	20,727	6,467	2,177	13,938	
66,352	68,006	35,239	10,045	29,243	8,336	2,223	14,503	
75,999	77,209	51,404	18,591	46,337	16,758	2,302	15,392	
183,378	184,167	91,048	11,463	74,327	9,358	8,969	49,514	
96,484	99,541	38,985	8,595	27,839	6,137	3,310	36,174	
84,063	86,821	51,842	11,414	45,835	10,091	6,170	22,351	
146,920	154,771	79,099	9,398	70,878	8,421	10,186	50,060	
399,862	408,690	232,509	10,350	203,248	9,048	25,599	110,305	
<b>1,228,498</b>	<b>1,258,266</b>	<b>663,532</b>	<b>10,234</b>	<b>560,609</b>	<b>8,647</b>	<b>66,030</b>	<b>339,770</b>	

- (f) The cost of employers' contributions to national insurance, graduated pensions, other pensions and welfare schemes and the running costs of canteens, is estimated for the industry at £33,784 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

PA272

Regional distribution of employment, net capital expenditure, net output and gross value added at factor cost, 1976  
All United Kingdom establishments classified to the industry

Area	Total employment (a)		Net capital expenditure (b)(c)		Net output, gross value added and employment in the region from returns received from establishments with more than 80 per cent of their employment in the region (d)		
	Thousands	per cent of United Kingdom	£ thousand	per cent of United Kingdom	Net output £ thousand	Gross value added at factor cost £ thousand	Employment as a percentage of total regional employment in the industry
Standard regions of England							
North	5.0	7.8	6,569	10.0	*	*	*
Yorkshire and Humberside	1.8	2.7	1,204	1.8	6,975	4,800	52.7
East Midlands	5.5	8.5	8,080	12.2	*	*	*
East Anglia	1.1	1.8	834	1.3	*	*	*
South East	30.8	47.5	28,019	42.4	279,041	236,487	83.2
South West	0.9	1.3	1,394	2.1	*	*	*
West Midlands	0.1	0.2	59	0.1	*	*	*
North West	14.3	22.1	10,813	16.4	116,671	98,346	70.9
England	59.5	91.8	56,973	86.3	*	*	*
Wales	1.9	2.9	575	0.9	21,026	19,573	95.5
Scotland	3.3	5.1	8,422	12.8	9,795	8,874	25.8
Great Britain	64.7	99.9	65,970	99.9	*	*	*
Northern Ireland	0.1	0.1	59	0.1	*	*	*
Unallocated (e)	—	—	—	—	141,044	113,199	—
United Kingdom (b)	64.8	100.0	66,030	100.0	663,532	560,609	—

- (a) Average number employed, including full and part-time employees (see table 7) and working proprietors.
- (b) Including estimates for establishments not making satisfactory returns, non-response and establishments with fewer than 20 employees.
- (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 was made of the net output and gross value added 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 and gross value added at each address covered by a return was proportional to employment at the address.
- (e) Unallocated net output and gross value added covering establishments with addresses in two or more regions, plus estimates for unsatisfactory returns, non-response and establishments exempt because of size.

TABLE 6

PA272

Percentage analysis of twelve-month periods covered by returns received from United Kingdom establishments employing 20 or more persons, 1976

Accounting year ended	Percentage of total returns received		Percentage of total number employed	
		per cent		per cent
1976 April (a)		3.4		0.3
May		0.8		0.2
June		7.6		13.0
July		5.0		1.4
August		0.8		6.8
September		3.4		0.4
October		3.4		3.6
November		10.1		12.7
December		45.4		49.7
1977 January		5.9		1.7
February		0.0		0.0
March (b)		14.3		10.1

(a) From 6th April.

(b) Including returns made for twelve-month period ended 1st to 5th April 1977.

TABLE 7

Percentage analysis of employees, by full and part-time employment and sex, 1976(a)

Sex	Full-time		Part-time		All employees	
		per cent		per cent		per cent
Male	55		1		56	
Female	35		9		44	

Source: Department of Employment

(a) The percentages relate to the numbers employed (excluding working proprietors) in the United Kingdom at end June, 1976.

Printed in Wales for Her Majesty's Stationery Office  
by South Western Printers, Caerphilly  
Dd. 844502 K5 5/79



## Notes

These notes give the main information needed for interpreting the figures in the Industry Business Monitors: more detailed information about the census is given in a separate Business Monitor - PA1001 (Introductory Notes) of the Report on the Census of Production, 1976.

### GENERAL INFORMATION

#### Changes made for 1976

The Census for 1976 is in line with similar inquiries being conducted in other member countries of the European Economic Communities. There was a small number of changes in the scope of the industry reports compared with 1975. These include separate headings for:

- Sales of goods produced
- Receipts for work done and industrial services rendered
- Amounts paid for hire of plant and machinery
- Amounts paid for rent of industrial and commercial buildings

Specific changes are explained in the introductions to the industry reports or by footnotes to the tables.

#### Suppression of information relating to individual undertakings

Section 9(5)(b) of the Statistics of Trade Act 1947 states - "The following provisions shall have effect with respect to any report, summary or other communication to the public of information obtained under the foregoing provisions of this Act -

In compiling any such report, summary or communication the competent authority shall so arrange it as to prevent any particulars published therein from being identified as being particulars relating to any individual person or undertaking except with the previous consent in writing of that person or the person carrying on that undertaking, as the case may be; but this provision shall not prevent the disclosure of the total quantity or value of any articles produced, sold or delivered; so, however, that before disclosing any such total the competent authority shall have regard to any representations made to them by any person who alleges that the disclosure thereof would enable particulars relating to him or to an undertaking carried on by him to be deduced from the total disclosed."

If a figure involved disclosure the contributor concerned was sometimes asked to give permission for its publication. In the majority of cases permission was given. When it was refused and where contributors were not approached the figure has been suppressed, either by combining it with other figures, or as in the regional tables, by omitting the figure altogether.

#### Symbols used

The following symbols are used throughout the PA series of Business Monitors:

- .. 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. Where figures have been so rounded, the sum of the constituent items may not always agree exactly with the total shown.

#### Industrial classification

The United Kingdom Standard Industrial Classification (SIC) was first issued in 1948 and was subsequently revised in 1958 and 1968. It exists to promote uniformity and comparability in the official statistics of the United Kingdom. The general principles followed are those of the International Standard Industrial Classification of all Economic Activities of the United Nations Statistical Office but the United Kingdom SIC reflects the organisation and structure of industry and trade as it exists in the United Kingdom. The SIC is a classification by activity and is not a commodity classification. However, an index of all commodity headings for which sales data are provided in the Quarterly Business Monitors, is published in Business Monitor PQ1000.

#### Statistical units

The statistical unit for the purpose of the Census is the establishment which is defined in the SIC as the smallest unit which can provide the information normally required for an economic census, for example, employment, expenses, turnover, capital formation. Usually the principal activities carried on in an establishment fall within a single heading of the classification (e.g. steel making or sugar refining). Typically the establishment embraces all the activities carried on at a single address e.g. a farm, a mine or a factory, including those which are ancillary to the principal activities. Frequently distinct activities characteristic of different industries are carried on at one address, but normally these are not classified separately and the whole establishment is classified according to the main activity. If, however, the required range of data can be provided for each activity, each is taken to constitute a separate establishment. Sometimes activities which are conducted as a single business are carried on at a number of addresses. Where this is so, businesses are asked to provide the full range of separate information in respect of each address; whether or not the activities are different. Their activities may, however, be integrated to such an extent that they constitute a single establishment. In the latter case the establishment is defined to cover the combined activities at these addresses (termed local units). Separate figures are obtained of employment and net capital expenditure at each unit in order to compile regional tables.

Efforts are made by the Business Statistics Office to ensure, by negotiating with respondents, that the return from an establishment does not cover local units or addresses in more than one of the countries of the United Kingdom. Further information about the statistical unit appeared in an article "The statistical unit in business inquiries" in Statistical News No.13 May 1971.

Establishments are asked to exclude from their returns particulars relating to any department not engaged in production e.g. merchanting, transport, warehousing, for which they keep a separate set of accounts. Transfers of goods produced to such departments are treated as sales and respondents are asked to value them as far as possible as if sold to an independent purchaser. Where separate accounts are not kept they are asked to include details of all these activities in their return. Particulars relating to head offices mainly engaged in the administration of the production units within the scope of the census were included. Where more than one return was made the information in respect of the head office was apportioned among them. For certain purposes in the annual censuses of

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 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 and commissions, 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 (i.e. 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 graduated pensions (and/or earnings related basic contributions under the

Social Security Act, 1973) as well as commercial insurance premiums to provide pensions, super-annuation 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.



© Crown copyright 1979

**Her Majesty's Stationery Office**

**Government Bookshops**

- 49 High Holborn, London WC1V 6HB
- 13a Castle Street, Edinburgh EH2 3AR
- 41 The Hayes, Cardiff CF1 1JW
- Brazenose Street, Manchester M60 8AS
- Southey House, Wine Street, Bristol BS1 2BQ
- 258 Broad Street, Birmingham B1 2HE
- 80 Chichester Street, Belfast BT1 4JY

*Government publications are also available through booksellers*

*Extracts from this publication may be reproduced provided the source is acknowledged. Proposals for complete reproduction should be addressed to the Librarian, Business Statistics Office, Newport, Gwent NPT 1XG*