

BUSINESS STATISTICS OFFICE

PA 130
1985

Business Monitor

Report on the Census of Production

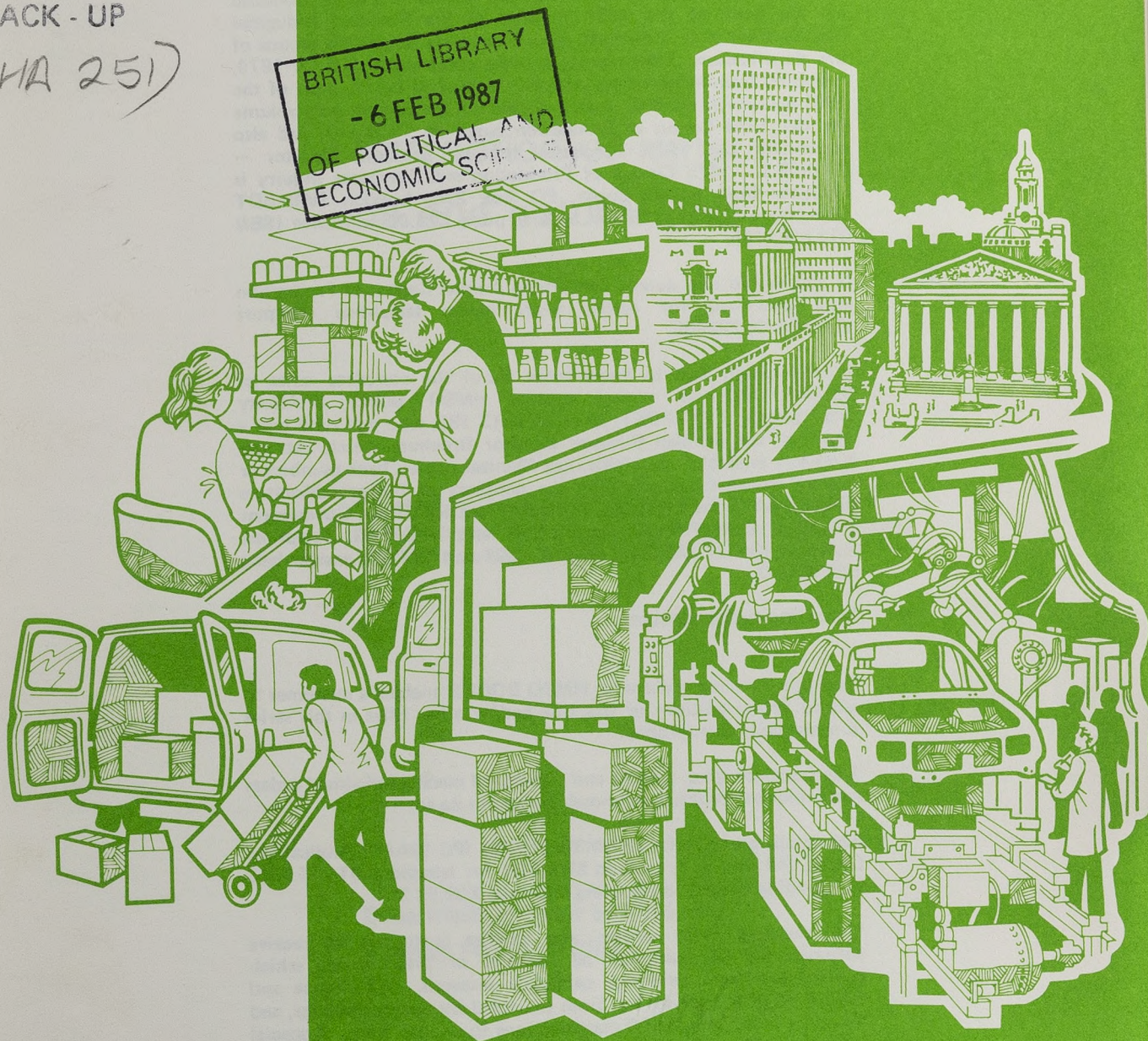
Extraction of mineral
oil and natural gas

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A publication of the Government Statistical Service

BUSINESS MONITORS

SPECIAL NOTE FOR PURCHASERS

The Business Statistics Office, aided by industry and commerce, provides much of the statistical data required by Government for monitoring the economy.

You may, if you wish, purchase much of the data in the form of Business Monitors which are a series of publications containing statistical information compiled from inquiry forms sent out regularly by the BSO to selected firms asking detailed questions about production, sales, employment and investment. Business Monitors are the primary or in many cases the only source of the information they contain.

The Annual Census of Production Monitors deal with the manufacturing, energy, mining and construction industries. There are 115 Monitors in this series some of which cover more than one industry and they are all listed overleaf. They are prefixed by a code P (for Production) followed by A (annual series).

The 1980 Annual Census of Production was the first to be produced on the basis of the 1980 revision of the Standard Industrial Classification with individual reports covering three digit groups of the classification. 1980 reports contain comparable data for 1979, reworked from information originally published on the basis of the 1968 revision of the SIC. Also available is a special summary volume for the 1979 Census of Production based on 1980 SIC, and also containing the 1979 Purchases Inquiry Business Monitor - PA1002.1. 1979 Census of Production and Purchases Inquiry is available from HMSO Books, PO Box 276, London SW8 5DT (Telephone 01-622 3316 for orders) price £21.00 reference ISBN 011 5141146.

If you would like details concerning Annual Census of Production data published for earlier years please telephone Newport (STD 0633) 222455.

If you would like to know more about the complete series of Business Monitors please contact HMSO Books (Publicity Department), FREEPOST, Norwich NR3 1BR who will send you a copy of the detailed Business Monitor Brochure which lists the Monitors available. For individual Monitor copies, back numbers or further information regarding the contents of Business Monitors please contact the Librarian, Business Statistics Office, Government Buildings, Cardiff Road, Newport, Gwent, NP9 1XG. Telephone Newport (0633) 222973. Telex 497121 and 497122; answer back BSONPT G.

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PA 130

BUSINESS MONITOR

A publication of the Government Statistical Service

Report on the Census of Production 1985

Extraction of mineral oil and natural gas

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

Department of Trade and Industry
Business Statistics Office

London: Her Majesty's Stationery Office

BUSINESS MONITORS MAKING UP THE COMPLETE CENSUS REPORT

The following is the list of Business Monitors making up the complete census report.

Shown alongside each title, where appropriate, is an indication of the change in the estimated employment in that industry that has arisen, between 1983 and 1984, from the introduction of a new, more up to date, register of businesses. The change shown reflects the increase or decrease between the old and new registers at a fixed point in time and does not in itself give any indication of the growth or contraction within any industry between 1983 and 1984. Over all manufacturing industry there was an increase between the two registers of 1.3%.

Changes for individual industries have arisen not only from the addition of extra, mainly small, units but also from the reclassification of some small units from one industry to another.

Since estimates of census variables, based on register employment, are made for small establishments which are not required to complete census forms, the change will affect much of the data contained in the reports. This should be taken into account in interpreting the figures.

	Employment percentage variation	
PA1001	Introductory notes	
PA111	Coal extraction and manufacture of solid fuels	
PA120	Coke ovens	
PA130	Extraction of mineral oil and natural gas	
PA140	Mineral oil processing	
PA161	Production and distribution of electricity	
PA162	Public gas supply	
PA170	Water supply industry	
PA210	Extraction and preparation of metalliferous ores	38
PA221	Iron and steel industry	-1
PA222	Steel tubes	1
PA223	Drawing, cold rolling and cold forming of steel	-2
PA224	Non-ferrous metals industry	0
PA231	Extraction of stone, clay, sand and gravel	-18
PA239	Extraction of miscellaneous minerals (including salt)	-6
PA241	Structural clay products	-1
PA242	Cement, lime and plaster	0
PA243	Building products of concrete, cement or plaster	-9
PA244	Asbestos goods	0
PA245	Working of stone and other non-metallic minerals	-2
PA246	Abrasive products	-6
PA247	Glass and glassware	2
PA248	Refractory and ceramic goods	1
PA251	Basic industrial chemicals	0
PA255	Paints, varnishes and printing ink	1
PA256	Specialised chemical products mainly for industrial and agricultural purposes	1
PA257	Pharmaceutical products	1
PA258	Soap and toilet preparations	0
PA259	Specialised chemical products mainly for household and office use	0
PA260	Production of man made fibres	0
PA311	Foundries	-4
PA312	Forging, pressing and stamping	0
PA313	Bolts, nuts, etc; springs; non-precision chains; metals treatment	0
PA314	Metal doors, windows etc	2
PA316	Hand tools and finished metal goods	-1
PA320	Industrial plant and steelwork	4
PA321	Agricultural machinery and tractors	-1
PA322	Metal-working machine tools and engineers' tools	-1
PA323	Textile machinery	0
PA324	Machinery for the food, chemical and related industries; process engineering contractors	2
PA325	Mining machinery, construction and mechanical handling equipment	3
PA326	Mechanical power transmission equipment	14
PA327	Machinery for printing, paper, wood, leather, rubber, glass and related industries; laundry and dry cleaning machinery	-4
PA328	Miscellaneous machinery and mechanical equipment	0
PA329	Ordnance, small arms and ammunition	0
PA330	Manufacture of office machinery and data processing equipment	7
PA341	Insulated wires and cables	2
PA342	Basic electrical equipment	1
PA343	Electrical equipment for industrial use, and batteries and accumulators	3
PA344	Telecommunication equipment, electrical measuring equipment, electronic capital goods and passive electronic components	2
PA345	Miscellaneous electronic equipment	3
PA346	Domestic-type electric appliances	1
PA347	Electric lamps and other electric lighting equipment	13
PA351	Motor vehicles and their engines	0
PA352	Motor vehicle bodies, trailers and caravans	-3

BUSINESS MONITORS MAKING UP THE COMPLETE CENSUS REPORT (continued)

	Employment percentage variation	
PA353	Motor vehicle parts	-2
PA361	Shipbuilding and repairing	0
PA362	Railway and tramway vehicles	0
PA363	Cycles and motor cycles	0
PA364	Aerospace equipment manufacturing and repairing	0
PA365	Miscellaneous vehicles	2
PA371	Measuring, checking and precision instruments and apparatus	4
PA372	Medical and surgical equipment and orthopaedic appliances	-8
PA373	Optical precision instruments and photographic equipment	1
PA374	Clocks, watches and other timing devices	0
PA411	Organic oils and fats	1
PA412	Slaughtering of animals and production of meat and by-products	-5
PA413	Preparation of milk and milk products	-5
PA414	Processing of fruit and vegetables	0
PA415	Fish processing	-4
PA416	Grain milling	-7
PA419	Bread, biscuits and flour confectionery	14
PA420	Sugar and sugar by-products	0
PA421	Ice-cream, cocoa, chocolate and sugar confectionery	-2
PA422	Animal feeding stuffs	-5
PA423	Starch and miscellaneous foods	2
PA424	Spirit distilling and compounding	0
PA426	Wines, cider and perry	2
PA427	Brewing and malting	0
PA428	Soft drinks	-1
PA429	Tobacco industry	0
PA431	Woollen and worsted industry	-2
PA432	Cotton and silk industries	3
PA433	Throwing, texturing, etc. of continuous filament yarn	-3
PA434	Spinning and weaving of flax, hemp and ramie	-3
PA435	Jute and polypropylene yarns and fabrics	0
PA436	Hosiery and other knitted goods	3
PA437	Textile finishing	3
PA438	Carpets and other textile floorcoverings	1
PA439	Miscellaneous textiles	3
PA441	Leather (tanning and dressing) and fellmongery	-5
PA442	Leather goods	8
PA451	Footwear	2
PA453	Clothing, hats and gloves	7
PA455	Household textiles and other made-up textiles	-2
PA456	Fur goods	-27
PA461	Sawmilling, planing, etc. of wood	-17
PA462	Manufacture of semi-finished wood products and further processing and treatment of wood	-4
PA463	Builders carpentry and joinery	-5
PA464	Wooden containers	-6
PA465	Miscellaneous wooden articles	4
PA466	Articles of cork and plaiting materials, brushes and brooms	7
PA467	Wooden and upholstered furniture and shop and office fittings	-1
PA471	Pulp, paper and board	1
PA472	Conversion of paper and board	3
PA475	Printing and publishing	5
PA481	Rubber products	-1
PA483	Processing of plastics	2
PA491	Jewellery and coins	1
PA492	Musical instruments	-5
PA493	Photographic and cinematographic processing laboratories	1
PA494	Toys and sports goods	-1
PA495	Miscellaneous manufacturing industries	67
PA500	Construction	67
PA1002	Summary tables	

The information in this report relates to undertakings classified to the Extraction of mineral oil and natural gas industry, Group 130 in the Standard Industrial Classification Revised 1980. The industry Group covers the following Activity Heading:—

1300 Extraction of mineral oil and natural gas

Exploration for and extraction of petroleum on land and offshore; "petroleum" in this context includes mineral oil, methane, ethane, propane, butane and condensates. The heading includes the activities of holders of petroleum exploration and production licences. Also included are the activities of licensees' contractors and agents providing services unique to this industry and not allocable to any other heading in the classification, e.g. well drilling, seismic surveying specifically for petroleum deposits and offshore pipelaying. (The provision of other services, e.g. manufacturing, repairing, catering, transport, procurement or hiring should be included in the appropriate headings elsewhere in the classification.) Mining and retorting of oil shale are included under this heading. Also included is the operation of land terminals for stabilisation, separation and storage, and of offshore or land pipelines between well-head and terminal. Other land pipelines are classified to Group 140 if feeding a refinery, Group 162 if part of the distribution of gas, Group 612 if part of the distribution of fuel or Group 726 if operated on a fee or contract basis.

This report relates to Great Britain and the United Kingdom Continental Shelf and is compiled from figures provided by the Department of Energy. For a full description of the 1980 classification see Standard Industrial Classification Revised 1980, obtainable from Her Majesty's Stationery Office, price £3.95.

In interpreting the data in the tables it is essential to bear in mind the notes and definitions which commence on page 5.

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EXPLANATORY NOTES AND DEFINITIONS

INTRODUCTION

1. These notes give basic information to help with the interpretation of tables in this Industry Report. More general information about the census is given in a separate Business Monitor — Report on the Census of Production, Introductory Notes (PA1001).

INDUSTRIAL CLASSIFICATION

2. Since 1980, Censuses have been conducted on the Standard Industrial Classification Revised 1980 (SIC (80)). The Standard Industrial Classification exists to promote uniformity and comparability in the official statistics of the United Kingdom. The SIC (80) is the result of an attempt to align the United Kingdom classification with the General Industrial Classification of Economic Activities within the European Communities (NACE). It is based on activity rather than on commodities produced. A full description of SIC (80) is given in Standard Industrial Classification Revised 1980, obtainable from Her Majesty's Stationery Office, price £3.95.

REPORTING UNIT

3. The reporting unit for this industry is the undertaking and includes the activities of holders of petroleum exploration and production licences, who are required to provide separate information for each field or project. Where licensees operate in consortia, most of the information included in this Report is derived from returns submitted by the operator of each consortium. Because of the complex organisation of companies and consortia operating in the United Kingdom Continental Shelf development, no attempt is made to provide the enterprise counts used in the rest of the Census since the concept of the enterprise has little meaning for this industry.

SOURCES OF INFORMATION

4. The information published in this Industry Report is provided by the Department of Energy and is derived from data collected by the Business Statistics Office from contractors and holders of petroleum exploration and production licences in quarterly inquiries conducted under the Statistics of Trade Act 1947. Additional information is collected by the Department of Energy from holders of seaward and landward licences in an administrative inquiry conducted under the Petroleum and Submarine Pipelines Act 1975.

CHANGES MADE FOR 1982 ONWARDS

5. Previous monitors have shown capital expenditure in the year in which it was incurred. This has given rise to questions about differences with the figures, published in the annual National Income and Expenditure booklet, which are based not on expenditure in any year, but on deliveries. To overcome this, capital expenditure figures in this monitor are now based on the national accounts definitions (see note 8).

SYMBOLS USED

6. 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

7. Figures in the tables have been rounded to the nearest final digit where necessary and, in these instances, the sum of the constituent items may not always agree exactly with the total shown.

CAPITAL EXPENDITURE

8. The figures shown are the Gross Fixed Capital Formation of the industry and represent expenditure charged to capital account with imported items included at their full value at the time they entered the country (which for this industry includes the offshore areas of the United Kingdom Continental Shelf). In most cases this occurs in the same period as payment is made but for some items with a lengthy construction period e.g. offshore production platforms, expenditure may be spread over several years. Capital expenditure during the year in respect of units whose production had not started before the end of the year is included. The value of capital goods produced for the undertaking's own use, by the undertaking's own staff is included. The value of assets acquired or disposed of by the sector as a whole is included. No allowance is made for depreciation, amortisation or obsolescence. Amounts received or expected to be received in grants and/or allowances from government sources, statutory bodies or local authorities are included.

a. NEW BUILDING WORK

This represents expenditure on new building and other constructional work including offshore production platforms and tanker loading systems, production and appraised wells, pipelines and terminals, the extension and reconstruction of existing facilities, design and installation costs and the value of any newly constructed buildings acquired. The figures include architects' and surveyors' fees, legal fees, stamp duties, agents' commissions and Land Registry fees.

b. LAND AND EXISTING BUILDINGS

This represents the value of freeholds and the value or premium payable or receivable for leaseholds acquired or disposed of. The figures for acquisitions include architects' and surveyors' fees, legal fees, stamp duties agents' commissions and Land Registry fees. The figures for disposals are net of any such professional fees payable.

c. PLANT AND MACHINERY, VEHICLES

This represents the value of new and second-hand plant and machinery, onshore and offshore platform modules and equipment and vehicles acquired or disposed of. The figures include the cost of transport and installation. The values of acquisitions and disposals exclude amounts written off capital assets or any premiums and other amounts not related to the cost of construction of items acquired or disposed of.

EMPLOYERS' NATIONAL INSURANCE CONTRIBUTIONS ETC.

9. This includes employers' national insurance contributions, including the national insurance surcharge, under the Social Security Pensions Act 1975, commercial insurance premiums for policies providing pensions, superannuation or other retirement benefits, sickness benefits, personal accident benefits, disability benefits or death benefits for employees or their dependants. Also included are contributions to canteens and social centres.

GROSS OUTPUT

10. This is calculated by increasing (or decreasing) the value of TOTAL SALES AND WORK DONE by the rise (or fall) during the year of STOCKS OF MATERIALS, STORES AND FUEL AND WORK IN PROGRESS.

GROSS VALUE ADDED AT FACTOR COST

11. For this industry, gross value added is calculated by deducting from GROSS OUTPUT the cost of PURCHASES OF MATERIALS, GOODS AND SERVICES FOR EXPLORATION AND OPERATING ACTIVITIES. Royalties and licence fees are not deducted from GROSS OUTPUT in calculating gross value added.

OPERATING RATIOS

12. These are not calculated for this industry because of the special nature of the United Kingdom Continental Shelf Development.

WAGES AND SALARIES

13. This represents amounts paid during the year to all employees and includes all overtime payments, bonuses, commissions, holiday pay and redundancy payments less any amounts reimbursed from government sources. No deduction is made for income tax or employees' national insurance contributions etc. Payments in kind, travelling expenses, lodging allowances etc. and employers' national insurance contributions etc. are excluded.

14. The figures for this industry cover payments made to employees engaged in production as well as to employees directly engaged in exploration and development.

TABLE 1

Output and costs, 1981-1985
All United Kingdom undertakings classified to the industry

	Unit	1981	1982	1983	1984	1985
Undertakings	Number	129	161	176	203	233
Sales of petroleum and goods produced	£ million	13,186.9	15,400.7R	18,141.3R	21,887.2R	21,769.9
Exploration and other work done, and services rendered	"	363.6	526.5	532.5	658.7	662.9
Goods merchanted or factored	"	2.0	4.1	8.1	10.0	5.4
Total sales and work done	"	13,552.5	15,931.3R	18,681.9R	22,555.9R	22,438.2
Increase during the year, stocks of materials, stores and fuel and work in progress	"	-57.6R	134.6R	-67.9R	-0.7R	103.9
Gross output	"	13,494.9R	16,065.9R	18,614.0R	22,555.2R	22,542.1
Purchases of materials, goods and services for exploration and operating activities (a)	"	1,590.7	2,164.4R	2,426.4R	3,012.0	3,568.3
Gross value added	"	11,904.2R	13,901.5R	16,187.6R	19,543.2R	18,973.8
Total employment	Thousand	24.8	27.9	29.4	32.8	33.1
Wages and salaries (b)	£ million	240.0	283.0	345.0	406.6R	467.6

(a) Accruals of royalties and licence fees are excluded from the table but are estimated for the industry at £2,366.2 million for 1985.

(b) The cost of employers' contributions to national insurance, pensions and welfare schemes and the running costs of canteens is excluded from the table but is estimated for the industry at £90.0 million for 1985.

The Statistics Enquiry Point 1890 Library
Business Statistics Office
Government Buildings
Cardiff Road
Newport
Gwent
NP23 5XX
(Telephone 0472 22222)

TABLE 2

PA130

Capital expenditure, 1981-1985
All United Kingdom undertakings classified to the industry

£ million

	1981	1982	1983	1984	1985
Land and buildings (a)					
New building work	1,844.0R	1,765.2R	1,640.9R	2,062.9R	1,699.5
Land and existing buildings					
Acquisitions	-R	-R	-	-R	0.2
Disposals	7.6	2.8	33.9R	2.1R	-
Plant and machinery (b)					
Acquisitions	1,077.8R	1,234.4R	1,272.6R	1,079.0R	1,098.1
Disposals	54.0R	3.4	28.7	6.1R	2.2
Vehicles, ships and specialised floating equipment					
Acquisitions	24.6	35.5R	14.0R	15.8R	4.6
Disposals	0.2	12.7R	0.1	0.3	16.1
Total gross capital formation	2,884.6R	3,016.2R	2,864.8R	3,149.2R	2,784.1

(a) Including off-shore production platforms, production and appraisal wells, tanker off-shore loading systems, pipelines, terminals and the cost of installation.

(b) Including platform modules and equipment and the cost of installation and mobile drilling rigs.

CLASSIFIED LIST OF MANUFACTURING BUSINESSES

In addition to the normal range of Business Monitors the Business Statistics Office produce the **Classified List of Manufacturing Businesses** (PO 1007) which is compiled from the BSO's Register of manufacturing businesses in the UK. Updated periodically the latest issue is made up of six parts, and contains the names and addresses of some 18,000 manufacturers. The CLMB is based, for the first time, on Divisions 2 to 4 of the 1980 Standard Industrial Classification and reflects the value of sales as reported quarterly by establishments to the BSO.

Further information can be obtained by writing or telephoning:

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