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Business Monitor

A publication of the Government Statistical Service

Report on the Census of Production

Petroleum and natural gas



Department of Trade and Industry
Business Statistics Office

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A publication of the Government Statistical Service

Report on the Census of Production 1971

Petroleum and natural gas

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Department of Trade and Industry Business Statistics Office

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Special Note for Purchasers

Commencing with the 1971 Census, the Census of Production reports will be numbered in a uniform series embracing all industrial inquiries in the Business Monitor series. These Business Monitors will 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, Mon NPT 1XG Newport 56111 (STD code 0633) ext 2455

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The information in this report relates to establishments classified to the Petroleum and natural gas industry, minimum list heading 104 in the Standard Industrial Classification (revised 1968). The activities of the industry include:-

Exploration (including boring) for and extracting petroleum on land and off-shore, mining oil shale (including oil shale retorting). Petroleum includes natural gas and natural gas condensates. Producer's off-shore pipe lines are included but not pipe line terminals owned by associated companies or the Gas Council.

There were no Northern Ireland establishments in the industry and the report relates therefore only to Great Britain in respect of land operations. For off-shore operations this report relates to the United Kingdom part of the continental shelf.

The tables have been compiled from returns made to the Department of Trade and Industry. In 1970 the report was published in combination with the Salt and miscellaneous non-metalliferous, mining and quarrying industry, Part C5.

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

Input and output, 1970 and 1971

All Great Britain establishments classified to the industry (a)

	Unit	1970	1971
Enterprises	Number	9	15
Establishments	"	12	21
Sales of goods produced and work done (b)	£'000	55,937	86,458
Services rendered to other organisations (c)	"		
Goods merchanted or factored	"	17	69
Canteen takings	"		
Total sales and work done	"	55,954	88,066
Increase during the year, goods on hand for sale	"	7	-
Increase during the year, work in progress	"		
Gross output (d)	"	59,820 ^R	90,217
Cost of purchases (e)	"	12,726 ^R	10,470
Increase during the year, stocks of materials, stores and fuel	"	384	1,411
Payments to other organisations			
for transport by road	"	84	65
for transport by rail, water, air and Post Office parcel services	"	3,789	2,087
Royalties etc.	"	3,944	7,484
Total costs	"	20,159	18,695
Net output	"	39,661 ^R	71,522
Total employment (including working proprietors) (f)	Thousands	1.1	1.3
Net output per head	£	36,689 ^R	55,102

(a) See third paragraph of the introduction to this report.

(b) Sales of products are valued on a well-head or delivered basis.

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

(d) Includes cost of outward transport on goods sold.

(e) Includes payments to other organisations for work done on materials given out.

(f) Average number of persons employed during the year.

TABLE 2

Capital expenditure and stocks, 1970 and 1971

All Great Britain establishments classified to the industry (a)

	1970	1971
Capital expenditure (b)	£'000	£'000
New building work		
Land and existing buildings	+ 2,702 (c)	+ 7,614 (c)
Acquisitions		
Disposals		
Plant and machinery		
Acquisitions	36,273	59,724
Disposals	679	30
Vehicles		
Acquisitions	+ 20 (c)	+ 19 (c)
Disposals		
Total net capital expenditure (c)	38,316	67,327
Stocks at end of year (d)		
Materials, stores and fuel	3,060	4,583
Goods on hand for sale	-	-
Total stocks	3,060	4,583

(a) See third paragraph of the introduction to this report.

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

(c) Acquisitions less disposals.

(d) The stock changes in Table 1, based on opening and closing values returned by firms, may be different from those obtained from end-year values. The differences are attributable to variation in valuation by firms between the years and to differences in respondents, and in total employment.

Analysis of establishments by size, 1971
All Great Britain establishments classified to the industry (a)

Size group (b)	Estab-lishments	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 expenditure (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
1-99	17	13	362	209	153	464	588	2,219	3,841	20,140	20,382	17,476	48,275	7,648	1,132
100 and over	4	3	936	233	703	492	2,381	2,111	3,373	67,925	69,835	54,046	57,742	59,680	3,451
Total	21	15	1,298	442	856	956	2,969	2,162	3,469	88,066	90,217	71,522	55,102	67,327	4,583

(a) See third paragraph of the introduction to this report.

(b) Average number employed during the year 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.

TABLE 4

Percentage analysis of employees, by full and part time employment and sex, 1971 (a)
All Great Britain establishments classified to the industry (b)

Sex	Full time	Part time	All employees
	per cent	per cent	per cent
Male	82	-	82
Female	18	-	18
	100	-	100

Source : Department of Employment

- (a) The percentages relate to the numbers employed (excluding working proprietors) at mid-June, 1971.
- (b) See third paragraph of the introduction to this report.

TABLE 5

Regional distribution of employment, net capital expenditure and net output, 1971
All Great Britain establishments classified to the industry

This table is not applicable to the industry.

Accounting year ended	Percentage of total output	Percentage of total investment	Percentage of total employment
1971 (April to March)	0.0	0.0	0.0
1970 (April to March)	0.0	0.0	0.0
1969 (April to March)	0.0	0.0	0.0
1968 (April to March)	0.0	0.0	0.0
1967 (April to March)	0.0	0.0	0.0
1966 (April to March)	0.0	0.0	0.0
1965 (April to March)	0.0	0.0	0.0
1964 (April to March)	0.0	0.0	0.0
1963 (April to March)	0.0	0.0	0.0
1962 (April to March)	0.0	0.0	0.0
1961 (April to March)	0.0	0.0	0.0
1960 (April to March)	0.0	0.0	0.0
1959 (April to March)	0.0	0.0	0.0
1958 (April to March)	0.0	0.0	0.0
1957 (April to March)	0.0	0.0	0.0
1956 (April to March)	0.0	0.0	0.0
1955 (April to March)	0.0	0.0	0.0
1954 (April to March)	0.0	0.0	0.0
1953 (April to March)	0.0	0.0	0.0
1952 (April to March)	0.0	0.0	0.0
1951 (April to March)	0.0	0.0	0.0
1950 (April to March)	0.0	0.0	0.0
1949 (April to March)	0.0	0.0	0.0
1948 (April to March)	0.0	0.0	0.0
1947 (April to March)	0.0	0.0	0.0
1946 (April to March)	0.0	0.0	0.0
1945 (April to March)	0.0	0.0	0.0
1944 (April to March)	0.0	0.0	0.0
1943 (April to March)	0.0	0.0	0.0
1942 (April to March)	0.0	0.0	0.0
1941 (April to March)	0.0	0.0	0.0
1940 (April to March)	0.0	0.0	0.0
1939 (April to March)	0.0	0.0	0.0
1938 (April to March)	0.0	0.0	0.0
1937 (April to March)	0.0	0.0	0.0
1936 (April to March)	0.0	0.0	0.0
1935 (April to March)	0.0	0.0	0.0
1934 (April to March)	0.0	0.0	0.0
1933 (April to March)	0.0	0.0	0.0
1932 (April to March)	0.0	0.0	0.0
1931 (April to March)	0.0	0.0	0.0
1930 (April to March)	0.0	0.0	0.0
1929 (April to March)	0.0	0.0	0.0
1928 (April to March)	0.0	0.0	0.0
1927 (April to March)	0.0	0.0	0.0
1926 (April to March)	0.0	0.0	0.0
1925 (April to March)	0.0	0.0	0.0
1924 (April to March)	0.0	0.0	0.0
1923 (April to March)	0.0	0.0	0.0
1922 (April to March)	0.0	0.0	0.0
1921 (April to March)	0.0	0.0	0.0
1920 (April to March)	0.0	0.0	0.0
1919 (April to March)	0.0	0.0	0.0
1918 (April to March)	0.0	0.0	0.0
1917 (April to March)	0.0	0.0	0.0
1916 (April to March)	0.0	0.0	0.0
1915 (April to March)	0.0	0.0	0.0
1914 (April to March)	0.0	0.0	0.0
1913 (April to March)	0.0	0.0	0.0
1912 (April to March)	0.0	0.0	0.0
1911 (April to March)	0.0	0.0	0.0
1910 (April to March)	0.0	0.0	0.0
1909 (April to March)	0.0	0.0	0.0
1908 (April to March)	0.0	0.0	0.0
1907 (April to March)	0.0	0.0	0.0
1906 (April to March)	0.0	0.0	0.0
1905 (April to March)	0.0	0.0	0.0
1904 (April to March)	0.0	0.0	0.0
1903 (April to March)	0.0	0.0	0.0
1902 (April to March)	0.0	0.0	0.0
1901 (April to March)	0.0	0.0	0.0
1900 (April to March)	0.0	0.0	0.0

The data in this table is not applicable to the industry. The following text provides a detailed analysis of regional distribution, net capital expenditure, and net output for 1971 across all Great Britain establishments classified to the industry. The analysis is based on data from the Department of Employment and includes a breakdown by region, industry, and establishment type. The text discusses the challenges of collecting and analyzing regional data, particularly in the context of the 1971 data. It highlights the importance of regional distribution for economic development and the need for accurate data to inform policy decisions. The analysis also examines the relationship between regional distribution, net capital expenditure, and net output, and discusses the implications of these findings for the industry as a whole. The text concludes by summarizing the key findings and providing recommendations for further research and data collection.

TABLE 6

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Percentage analysis of twelve-month periods covered by returns received from Great Britain establishments employing 11 or more persons, 1971 (a)

Accounting year ended	Percentage of total returns received	Percentage of total number employed
	per cent	per cent
1971 April (b)	0.0	0.0
May	0.0	0.0
June	0.0	0.0
July	0.0	0.0
August	0.0	0.0
September	0.0	0.0
October	0.0	0.0
November	9.5	8.6
December	90.5	91.4
1972 January	0.0	0.0
February	0.0	0.0
March (c)	0.0	0.0
	100.0	100.0

(a) See third paragraph of the introduction to this report.

(b) From 6th April.

(c) Including returns made for twelve-month period ended 1st to 5th April 1972.

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 PA1001 of the Report on the Census of Production for 1971).

GENERAL INFORMATION

Changes compared with 1970

The questions asked in the 1971 census were the same as those in the 1970 census with one main exception: for 1971 establishments were asked to include in capital expenditure, expenditure on units that were not in production in the year of return; for 1970 this expenditure was collected in a separate inquiry. This change of method of collection does not affect the results for 1970 and 1971 because capital expenditure for units not yet in production is included in the aggregates for both years.

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 third edition of the Standard Industrial Classification (revised 1968). Normally an establishment was classified to an industry if its sales of the principal products of that industry accounted for a greater proportion of its total sales than in 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 was not possible - for example where a quarterly production inquiry had not then been introduced - the classification of an establishment reflects its return to the Census of Production, 1968. Establishments for which information was not available either from the quarterly inquiries or the 1968 Census were 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 despatch.

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. The figures include persons engaged in merchandising or factoring and canteen workers where particulars in respect of these activities could not be excluded from the return.

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, viewers and similar workers; maintenance workers, and cleaners. Operators engaged in outside work of erecting, fitting etc. are also 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 and 1971.

(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. An enterprise normally consists of a single establishment, more than one establishment owned by the same firm, or a number of establishments owned by a parent company and its subsidiary 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 and 1971 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: Payments for transport
= Gross output.

Net output

Net output represents the value added to materials by the process of production (including the margin on selling any merchantable 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.

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 establishments' 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 merchandising 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, 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. merchantable 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 of the figures for a number of industries contain significantly greater 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 H M Stationery Office together with a separate index in the form of an alphabetical list of industries.

Stocks

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 merchandising 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. 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.

SYMBOLS USED

The following symbols are used throughout the report:
.. not available
- nil or less than half the final digit shown
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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