Annual revision 2025 for the Industrial Production Index and the Index of Production in Construction

The Industrial Production Index (IPI) and the Index of Production in Construction (IPVC) are annually reviewed for methodological updates. On the occasion of the publication of the first figures for January 2025 (5 March 2025), indices may be revised.

Annual review of products

The IPI series are subject to an annual review process over a 7 year cycle. Thus, every year, one seventh of the branches surveyed are reviewed in order to improve the measure of the production. The purpose of this review and any resulting updates is to guarantee the robustness of the indices and to adapt them to economic or technical developments, in particular by including the monitoring of new products and eliminating those whose production has become very low. The results of the 2025 review are included in this methodological note (annex 1). The renovated series are backcast on the new perimeter from 2021 to 2024, which may lead to revisions on them.

Update for the coefficients of productivity in branches monitored in working hours

Fort the branches monitored in working hours (annex 2), coefficients of productivity have been updated with the annual accounts data since 2016, which may lead to specific revisions on these branches. Monthly variations may be revised since 2016. However, as the indices are back chained-linked from the base year 2021, their level is revised from 1990 without affecting the monthly evolutions before 2016. This update of the coefficients of productivity has little impact on the overall industry, as the branches involved represented only 5% of the value added in 2022 (calculated with the semi-definitive National Accounts). Nevertheless, the impact is significantly more important for the construction index, fully monitored in working hours.

Annual update of the weightings

The IPI and IPVC are chain-linked indices with weightings annually updated. The weightings are calculated on the basis of gross value added data at basic prices by industry from the annual National Accounts. The latest available annual data are the final accounts for year 2021 and the semi-definitive accounts for year 2022. The weightings have therefore been updated with these data for the period 2020[1] to 2024. The data of the semi-definitive accounts for year 2022 are also used to calculate the index for year 2025.

1 In theory, 2020 should not be affected. However, because of the special nature of 2020 due to the health crisis, the weightings for 2020 have not been calculated using the final account for 2020. Instead, the weightings for 2021 apply in 2020.

Annual update of the SA-WDA models

The series are seasonally adjusted (SA) and working day adjusted (WDA). These effects are estimated using the X13-Arima method of the JDemetra+ software at NACE rev. 2 class level. The SA-WDA indices of the higher-level positions are obtained by aggregating the SA-WDA indices of the classes that make them up. Each year, the models underlying the X13-Arima method are re-estimated. This year, the main change involves the period for which the series are updated, which now begins in 2017 for all NAF rev. 2 classes, compared with 2012 previously. The profile of series is fixed until 2016.

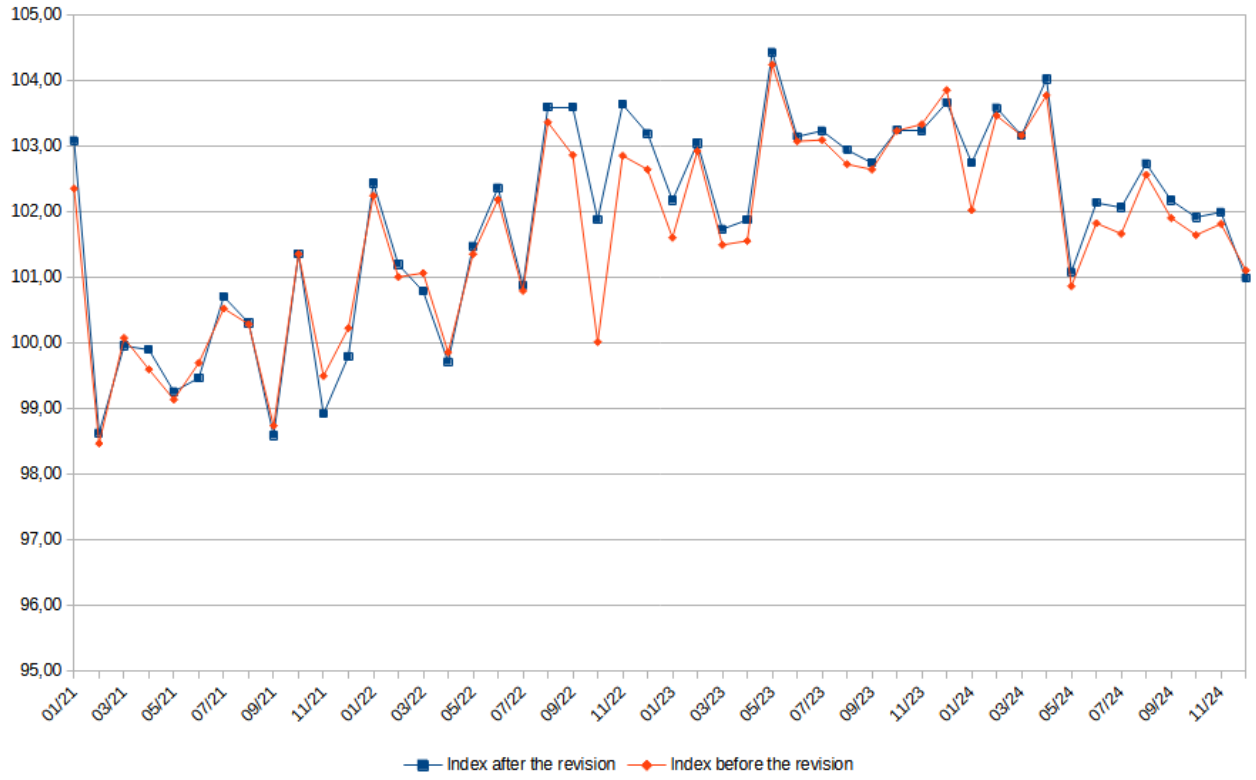
Revisions

The main factors that lead to revisions are :
(i) the review of the products used for some series ;
(ii) the update of the coefficients of productivity ;
(iii) the update of the weightings for the period 2020 to 2024 ;
(iv) the update of the SA-WDA models.

For the whole manufacturing industry (CZ), revisions for the SA-WDA index range from -0.6 to +1.9 index points over the 2021 to 2024 period (*Figure 1*). The revisions for monthly variations of the index range from -0.6 to +0.9 percentage points over the 2021 to 2024 period, except for October and November 2022 (respectively +1.1 and -1.1 point) due to changes in the class “manufacture of other organic basic chemicals (2014)” with the monitoring of new products. Revisions are mainly due to the annual review of the products and the updates of the wights, and, to a lesser extent, due to the update of the coefficients of productivity and the SA-WDA models.

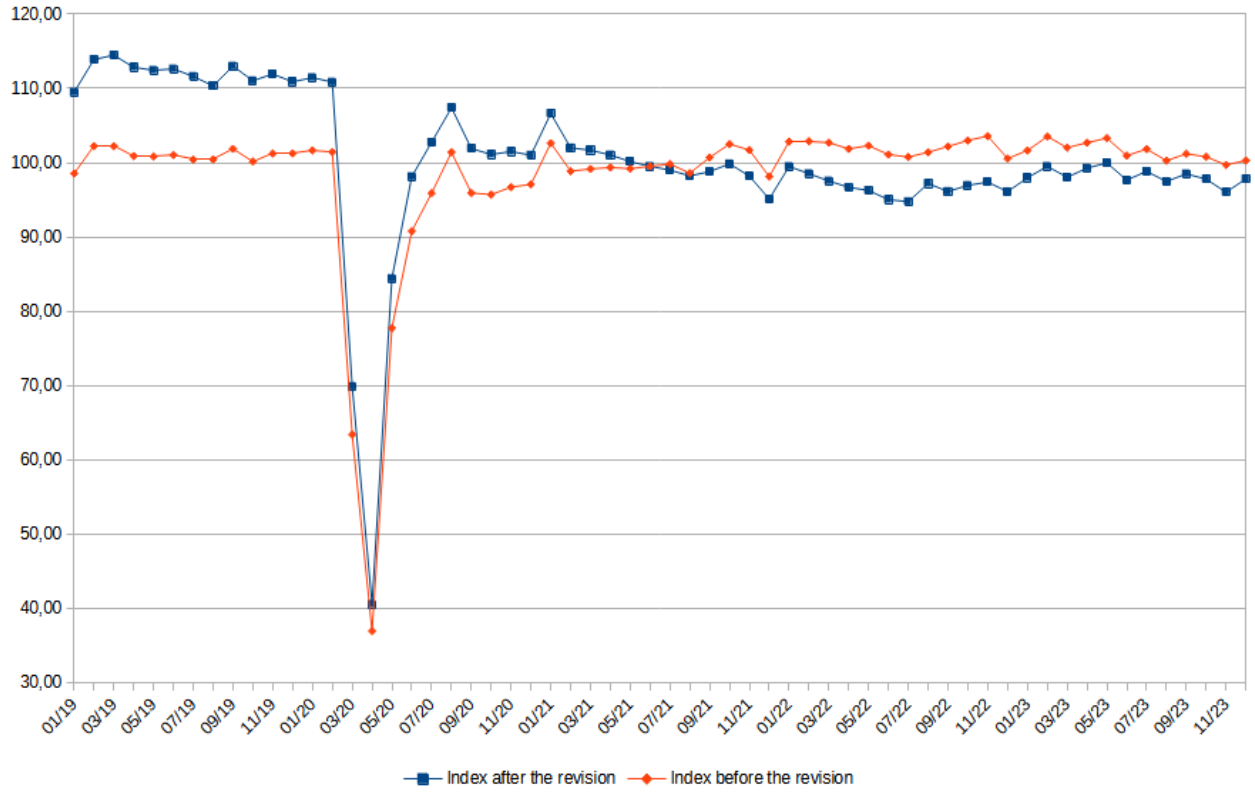
For construction (FZ), revisions for the SA-WDA index are higher. They range from -6.0 to +12.0 points over the 2019 to 2024 period (*Figure 2*). The revisions for monthly variations of the index range from -2.3 to +2.5 percentage points over the 2019 to 2024 period. Indices for construction have not been subject to an update of the monitoring method this year. Revisions are mainly due to the update of the coefficients of productivity (calculated from the National Accounts data, now in base 2020), and, to a lesser extent, due to the update of the weightings and the SA-WDA models. The scale of the revisions in construction, higher than usual, is explained by the fact that the previous update if the coefficients of productivity was several years old.

Figure 1: Revision of the SA-WDA index of manufacturing production (CZ)



Source : INSEE

Figure 2: Revision of the SA-WDA index of production in construction (FZ)



Source: INSEE

Annex 1 : branches updated after the annual review of the products

Code of the NAF class	Label of the NAF Rév. 2 class	Change
1084	Manufacture of condiments and seasonings	Adding class
2014	Manufacture of other organic basic chemicals	Grouping and adding of products
2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	Adding of products
2223	Manufacture of builders' ware of plastic	Change of deflator
2312	Shaping and processing of flat glass	Adding of products
2341	Manufacture of ceramic households and ornamental articles	Change in the monitoring variable
2443	Lead, zinc and tin production	Adding of products and change of deflator
2444	Copper production	Adding of products and change of deflator
2445	Other non-ferrous metal production	Adding of products
2599	Manufacture of other fabricated metal products n.e.c	Grouping and adding of products
2822	Manufacture of lifting and handling equipement	Grouping of products and change of deflator
2825	Manufacture of non-domestic cooling and ventilation equipement	Adding of products and change of deflator
3311	Repair of fabricated metal products	Grouping of products
3313	Repair of electronic and optical equipement	Adding of products and change of deflator
3320	Installation of industrial machinery and equipement	Grouping of products and change of deflator

Annex 2 : Branches of industry affected by the update of the coefficients of productivity

Code of the NAF class	Label of the NAF rév. 2 class	% of the 2022 value added of the class involved in the monitoring in working hours
2511	Manufacture of metal structures and part of structures	33
2530	Manufacture of steam generators, except central heating hot water boilers	100
2540	Manufacture of weapons and ammunition	100
2899	Manufacture of other special-purpose machinery n.e.c	92
3011	Building of ships and floating structures	100
3012	Building of pleasure and sporting boats	100
3020	Manufacture of railway locomotives and rolling stock	100
3030	Manufacture of air and spacecraft and related machinery	17
3311	Repair of fabricated metal products	64
3312	Repair of machinery	21
3315	Repair and maintenance of ships and boats	100
3316	Repair and maintenance of aircraft ans spacecraft	100
3320	Installation of industrial machinery and equipement	27

How to read it : In the branch 2511 « Manufacture of metal structures and part of structures », products monitored in working hours represented 33 % of the value added in 2022.