

## Turnover in industry and construction

Turnover indexes for industry and construction are monthly value indexes. Turnover indexes for exports are also published. They show changes in turnover achieved with foreign countries.

### Scope

The turnover indexes for industry and construction cover sections B, C, D, E, and F of the NAF rev. 2 classification of activities, 2008. The “Overall industry” published scope covers sections B, C, D and E.

The indexes are calculated over all monthly VAT companies returns, whose head office is in France. So, these indexes cover “whole France” including overseas departments (excepted French Guyana and Mayotte, which are not liable for VAT) .

### Dissemination

In *Informations Rapides*, the indexes are published at levels A 10, A 17 and A 38 of the aggregate classification (NA) associated with NAF rev. 2.

The more detailed levels, the divisions and groups of NAF rev. 2, are available on the INSEE website in raw data and in seasonal adjustments (SA) and calendar effects (working day adjustments WDA) corrected data; the sub-class level is published only in raw data:

- <http://www.indices.insee.fr/>
- <http://www.bdm.insee.fr>

Turnover indexes are also disseminated by Eurostat according to European classifications.

### Sources

Turnover indexes are calculated using a tax source, form CA3, which companies fill in for the payment of value added tax (VAT). The forms provides turnover excluding VAT of the declaring companies, all activities combined, classified according to their principal activity.

Turnover indexes for export are based on the total amount of turnover declared by companies on export outside the European Union and deliveries supplied within the Community.

### Base 2010

The raw data indexes are calculated at the most detailed level of the French classification of activities: sub-classes of NAF rev. 2. At the finest level, the index of the month M is calculated by linking the index of the month M-12 to the variation of the turnover between M-12 and M. All the companies that have declared on the month M are contributing to calculation of this variation.

Indexes for the broader sectors are calculated as Laspeyres indexes (with constant weightings over time) from the most detailed indexes. They are rebased every 5 years; indexes currently published use base 2010, i.e. the weightings of the different levels correspond to values

calculated for the year 2010. They are also published with a reference of 100 in 2010, i.e. the indexes have a mean of 100 in 2010.

The constant weightings of the elementary indexes relate to production sold in the branches in 2010 at basic prices. By definition, production at basic prices excludes tax on the products, but includes subsidies on products; transport services are not included. Weightings are calculated using data from national accounts and the annual sector survey 2010.

### **Corrections for seasonal variations and working days**

The series are corrected for seasonal adjustments (SA) and calendar effects (working day adjustments WDA). An estimate of these effects is produced with the X12-Arima software in Demetra+ (supplied by Eurostat) at the group levels of NAF rev. 2. SA-WDA indexes for higher level items are obtained by aggregating the SA-WDA indexes of the sub-classes that make up the level.

The annual mean of the SA-WDA indexes can slightly differ from that of the raw indexes because it takes into account variations from one year to the next in the annual composition in working days: presence of leap years, position in the week of various public holidays, and so on.

### **Periodic corrections and updates**

Companies returns are not always fully available when the index is first published. Late responses are incorporated into the index later, and thus the raw data are revised.

The SA-WDA coefficients calculation is updated monthly for the whole dissemination period (from January 1999). In addition, all of the SA-WDA models are revised annually. This updating may also modify all the values in the SA-WDA series.

### **Processing company declarations**

The tax authority provides INSEE with VAT returns every month. Until the publication of December 2015 indexes in February 2016, turnover indexes were built based on a sample of roughly 150 000 companies in metropolitan France which declare the VAT monthly. This sample was renewed every year.

Since the publication of January 2016 indexes in March 2016, turnover indexes are calculated over all monthly VAT returns. This new methodology enables to produce turnover indexes of better quality. It takes better into account companies' demography and so, reflects more specifically the economic reality. On one hand, it frees itself from annual samples using all the monthly VAT returns, the information technology enables now to process largest volumes of data. Until then, turnover indexes calculated for any given year (Y) did not take into account nor companies starts-ups or bankruptcies, movements in the scope, neither changes of sector occurred during the year Y, because the corresponding sample was drawn on December 31st of the year (Y-1). On the other hand, this new methodology is built on statistical register SIRUS to take into account more quickly and more automatically the most recent demographic events which have impacted the companies.

### **Processing restructuring**

Structural modifications (or restructuring) likely to affect the sectoral outline of the VAT declarations are processed specifically: companies that have undergone a structural modification during the current year are reconstituted to the way they were before restructuring for the period following this modification, and companies that have undergone restructuring in the previous year are reconstituted to the way they were after the restructuring for the period preceding this modification.

## The different VAT assessment systems

Type of activity and amount of turnover are the two main criteria which determine a company's VAT assessment system. However, if they prefer, companies have the possibility of opting for a higher assessment system.

Companies are covered by:

- either the basic exemption system;
- or the simplified real assessment system;
- or the normal real assessment system.

Companies subject to the normal real tax system have to declare their turnover on form CA3 every month except if the annual VAT payable is less than €4,000. In that case, the company is allowed to declare quarterly.

## Detailed documentation

- Turnover indexes: description and methodology  
<http://www.insee.fr/en/methodes/default.asp?page=sources/ope-ica.htm>
- A better taking into account of companies demography in monthly turnover indexes by a complete exploitation of monthly VAT returns  
INSEE, March 2016  
[http://www.insee.fr/en/methodes/sources/pdf/ICA\\_demographie-entreprises.pdf](http://www.insee.fr/en/methodes/sources/pdf/ICA_demographie-entreprises.pdf)
- *Rénovation de la méthodologie de calcul des indices de chiffres d'affaires – Présentation et analyse des impacts, Insee, mars 2016, 8 p*  
[http://www.insee.fr/fr/methodes/sources/pdf/ICA\\_Analyse\\_impacts\\_nouvelle\\_methodologie\\_2016.pdf](http://www.insee.fr/fr/methodes/sources/pdf/ICA_Analyse_impacts_nouvelle_methodologie_2016.pdf)