Index of new orders in manufacturing

Base 2015=100

2021
Periodicity: annual
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## Summary

### 1 General information on the statistics
- **Scope**: selected branches of manufacturing
- **Presentation unit**: classes (four-digit items) of the Classification of Economic Activities
- **Reference area**: Germany
- **Reference period**: Time series with monthly values from January 1991, the individual time series values relate to the entire reporting month.
- **Frequency of data collection**: monthly
- **Legal basis**: Industry Statistics Act (ProdGewStatG)

### 2 Content and user needs
- **Statistical presentation**: monthly development of new orders in selected branches of manufacturing.
  A distinction is made between new orders received from domestic customers and those received from foreign customers (separately by euro area and non-euro area). The results are available as a value index and a (price-adjusted) volume index, and in addition in calendar and/or seasonally adjusted versions.
- **User needs**: Indicators of the short-term economic development in Germany.

### 3 Methodology
- **Basic data**: Survey data on new orders are collected within the scope of the monthly report incl. survey of new orders for local units in manufacturing, mining and quarrying (EVAS No. 42111)
- **Calculation of indices for economic branches**: Current new orders of an economic branch in relation to the respective new orders in the base year. Indices at higher levels of breakdown: weighted average of the branch indices included.
  - **Weights**: average new orders in the base year.
- **Price adjustment**: Division by suitable price indices (producer and export price indices, EVAS No. 61241 resp. 61421).
- **Seasonal adjustment**: Influences that occur regularly and to a similar extent in the course of the year as well as calendar effects are eliminated from the time series by means of the mathematical-statistical method X 13 JD+.

### 4 Accuracy and reliability
- **Accuracy**: The indices are based on surveys of more than 15,000 local units. The provisional results are based on reports from a smaller number of units and are therefore less precise.
- **Revisions**: both unadjusted and seasonally adjusted indices are subject to revision (see comprehensive version).

### 5 Timeliness and punctuality
- **Timeliness**: Provisional results are published within 37 days after the end of the reference month.
- **Punctuality**: release dates are scheduled for a whole year and published in advance in the release calendar of the Federal Statistical Office. There was 100% adherence to time schedules in the last few years; results could always be released on the dates published.

### 6 Comparability
- **Indices of the same base year are comparable over time. In formal terms, indices of different base years are comparable over time. Changes in the weighting structures, the groups of respondents and the territorial status however impair the analysis of long time series.**

### 7 Coherence
- **The indices can be combined with the results of other economic statistics where these relate to the Classification of Economic Activities (WZ 2008) and to local kind-of-activity units.**

### 8 Dissemination and communication
- **The first results are published in a press release** ([www.destatis.de/presse](http://www.destatis.de/presse)). Upon publication, the results can also be accessed in table 42151 of the GENESIS-Online database ([www.destatis.de/genesis](http://www.destatis.de/genesis)).

### 9 Comment
- **None**
1 General information on the statistics

1.1 Statistical population
The statistics refer to the following selected manufacturing branches of the Classification of Economic Activities (NACE Rev.2):

- WZ 13 Man. of textiles,
- WZ 14 Man. of wearing apparel,
- WZ 17 Man. of paper and paper products,
- WZ 20 Man. of chemicals and chemical products,
- WZ 21 Man. of basic pharmaceutical products and pharmaceutical preparations,
- WZ 24 Man. of basic metals,
- WZ 25 Man. of fabricated metal products, except machinery and equipment,
- WZ 26 Man. of computer, electronic and optical products,
- WZ 27 Man. of electrical equipment,
- WZ 28 Man. of machinery and equipment n.e.c.,
- WZ 29 Man. of motor vehicles, trailers and semi-trailers,
- WZ 30 Man. of other transport equipment.

1.2 Statistical unit
Presentation unit: results are published for classes (four-digit items) of the Classification of Economic Activities (NACE Rev.2). Survey unit: the underlying data are collected from local production units with 50 or more persons employed of enterprises in manufacturing or other enterprises. Tabulating unit: for the purpose of processing the collected data, local kind-of-activity units are formed as tabulating units. A kind-of-activity unit includes all activities of a local unit which belong to the same class (four-digit item) of the Classification of Economic Activities.

1.3 Reference area
The results are published by the Federal Statistical Office for the whole of Germany.

1.4 Reference period
The data relate to the new orders of the entire reference month. The time series starts in January 1991.

1.5 Frequency of data collection
The indices of new orders are released on a monthly basis.

1.6 Legal acts and other agreements

1.7 Confidentiality
1.7.1 Confidentiality - policy
The confidentiality rules of the relevant surveys apply to the basic data underlying the calculations; they are described in the respective quality reports.

1.7.2 Confidentiality - data treatment
There are no confidentiality procedures in place as this set of statistics is an accounting system based on aggregated results of the underlying basic data.

1.8 Quality management
1.8.1 Quality assurance
The data collection and calculation process provides for several phases in which the statistical offices of the Federation and the Länder revise the results available at the time. Aspects of data collection and processing are discussed at the annual expert meetings of representatives from the statistical offices of the Federation and the Länder. The decisions taken are laid down in the minutes of the expert meetings.

1.8.2 Quality assessment
The corrected results are based on monthly surveys of more than 15,000 local units and therefore are highly accurate. The comparability over time may be impaired on account of structural changes which occurred in the relevant period (e.g.
changes in the way local units report their data), see section 6.2. The index results are subject to the conflicting requirements of rapid availability, accuracy, and revisions. First survey results are still incomplete and have to be supplemented by estimates. If they were provided earlier still, they would inevitably contain an even larger share of estimates, thereby necessitating more extensive revisions.

2 Content and user needs

2.1 Statistical presentation

2.1.1 Data description

The indices of new orders measure the monthly development of the volume of new orders in selected branches of manufacturing. To analyse domestic and export demand, a distinction is made between new orders received from domestic customers and those received from foreign customers (by euro and non-euro area). The results are available as a value index and a (price-adjusted) volume index, and in addition in calendar and/or seasonally adjusted versions.

2.1.2 Classification system

Data are collected and results are presented in a breakdown by economic activity in accordance with the Classification of Economic Activities (WZ 2008). In addition, a breakdown by main industrial grouping is used (see Commission Regulation (EC) No 656/2007).

2.1.3 Statistical concepts and definitions

The indices of new orders reflect the ratio of the current values of new orders to the corresponding values in the base year. For instance, a value of 110 in the index of new orders means that the new orders were 10% higher than in the base year.

The overall index is constructed as the weighted average of the results for individual economic branches. The weights reflect the proportion of new orders in the individual economic branches in the base year. The index is constructed as a fixed-base index which is rebased every five years. The weights are maintained for five years to make sure that structural shifts between the economic branches have no impact on the index development during that period.

As a rule, the indices are published as volume indices to eliminate the effects of price changes; value indices are available in addition.

The following definition applies to the underlying variable: The new orders of an economic branch are the total of the values of all orders definitely accepted by the local units in the reference month which refer to the supply of products manufactured either by themselves or through contract work.

2.2 User needs

The indices are important indicators of short-term economic development in Germany on account of their early availability, monthly periodicity, detailed breakdown by economic branch and country of destination, the clear cyclical development in manufacturing, and the strong interrelationship between manufacturing and industry-related services. Main users include the federal ministries, the European Central Bank, the Deutsche Bundesbank, Eurostat and other international institutions, business associations, enterprises, research institutes, universities, and the general public.

2.3 User satisfaction

The interests of the main users are represented by the Statistical Advisory Committee and by the bodies it appoints. Pursuant to Section 4 of the Federal Statistics Act, the Committee advises the Federal Statistical Office on fundamental issues. The Statistical Advisory Committee consists of representatives from the federal ministries, the German Supreme Audit Institution and the Deutsche Bundesbank, the heads of the statistical offices of the Länder and the Federal Commissioner for Data Protection, representatives from central municipal organisations, trade and industry, the liberal professions, employers’ associations, trade unions, and from agriculture, economic institutes and higher education institutions. There is also regular direct contact with the Deutsche Bundesbank and the Federal Ministry for Economic Affairs and Energy.

3 Statistical processing

3.1 Source data

The data used to calculate index numbers and weights come from the monthly report incl. survey of new orders for local units in manufacturing, mining and quarrying (EVAS No. 42111). Results of price statistics are used for price adjustment, in particular the index of producer prices of industrial products, domestic sales (EVAS No. 61241) and the index of export prices (EVAS No. 61421).

3.2 Data compilation

In a first step, indices are calculated for economic branches (branch indices) by relating the current total new orders of an economic branch to the new orders in the base year (mean value of the base year’s months). The level of detail of the branch indices is that of classes (four-digit headings) of the Classification of Economic Activities. For the index of new orders, roughly 130 branch indices are computed, separately for the domestic territory, the euro area, and other countries.

In a next step, these branch indices are aggregated to form indices at higher levels of breakdown (aggregates). An aggregated index is constructed as the weighted average of the branch indices included. Weights are also referred to as
weighting factors and the total of weights of an index as its weighting pattern or structure. The weights are derived from the average new orders of the respective economic branches, calculated as the average of all months of the base year.

The indices are rebased every five years to base years ending in 0 or 5 for reasons of international comparability. Regular rebasing is required in particular for the updating of weights. This is to account for structural changes in Germany’s economy that took place in the previous years. Rebasing includes the recalculation of indices as of January of the new base year and the linking of these indices to indices of earlier years that were moved to the new base year beforehand.

The base year is changed about two years after the end of the base year period. When the rebased index is released, the index values published previously are revised as of January of the new base year. As regards the indices of periods before January of the new base year, rebasing causes changes in the index level while the change rates (change on the previous month and on the same month a year earlier) remain unchanged.

3.3 Adjustment
For price adjustment purposes, the branch indices are divided by suitable price indices (producer and export price indices).

As a rule, results are published in a calendar and seasonally adjusted form. To enable year-on-year comparisons, additional results are provided that are merely calendar adjusted. The original (not seasonally adjusted) values can also be retrieved. For seasonal adjustment purposes, influences that occur regularly and to a similar extent in the course of the year are eliminated from the time series by means of the mathematical-statistical method X 13 JD+. The purpose is to highlight the short-term economic, trend and extraordinary developments. The procedure may also include calendar adjustment to eliminate predictable calendar influences.

For seasonal adjustment, version 2.2 of the JDemetra+ software is used. It is recommended for seasonal adjustment within the European Statistical System and the European System of Central Banks. The underlying mathematical-statistical method does not differ fundamentally from the previous X-12-ARIMA procedure.

The first stage of the procedure is RegARIMA modelling: unadjusted values at the ends are extended by estimates and, where required, adjusted for outliers. Extending the time series by estimates is required, for instance, for the second stage of the procedure, where centred moving averages are calculated. Seasonal adjustment as such is carried out in the second stage of the procedure. It is an iterative process for smoothing the unadjusted data by means of trend and seasonal filters which are calculated from centred weighted moving averages. The seasonal factors of a specific month are obtained by smoothing the deviations of the unadjusted values from the trend values of that month. The trend values, in turn, are smoothed unadjusted values.

There may also be calendar adjustment in the first stage. For that purpose, the number of working days in the current month is determined after deducting holidays; the result is compared with the long-term average of that period. Public holidays that are relevant only in some Länder are weighted using the number of employees in those Länder as a proportion of the total number of employees in Germany. The percentage effect of an additional working or trading day on the unadjusted value is estimated from past values of the relevant set of statistics under RegARIMA modelling. These estimates are used to eliminate the impact of variations in the number of working days in the respective month or quarter from the unadjusted data. The effects of bridging days (days between a public holiday and a weekend), movable school holidays and the weather are not taken into account.

Results based on the calendar and seasonal adjustment procedure BV4.1 and trend results according to BV4.1 are published in addition to the results adjusted for calendar and seasonal effects using the X13 JD+ procedure.

3.4 Cost and burden
As the calculations use data that are available, there is no additional response burden for enterprises and local units. Information on the response burden caused by the collection of the underlying basic data is contained in the quality reports of the respective statistics.

4 Accuracy and reliability
4.1 Overall accuracy
The corrected results are based on monthly surveys of more than 15,000 local units and therefore are highly accurate. The provisional results are less precise as they usually contain estimates due to nonresponse. Furthermore it is assumed that in the case of sales from warehouses, local units sometimes report turnover data, but no corresponding data on new orders. Despite the binding definition of new orders, local units have a certain leeway in specifying actual cases of new orders. Due to the large number of local units in which surveys are carried out, the quality of the data on new orders is generally high. Due to the above-mentioned survey difficulties, however, the quality of the data on new orders is to be rated somewhat lower than that of turnover.

4.2 Sampling error
The main data source is the monthly report incl. survey of new orders for local units in manufacturing, mining and quarrying (EVAS No. 42111). It covers all local units with 50 or more persons employed. The monthly report has been integrated into a system of cross-checks in the field of manufacturing, mining and quarrying to ensure that uniform quality
standards are observed. As a result, the quality of the data published is very high. The first data release may still contain estimates of the local units and the statistical offices of the Länder, which are replaced by final values later.

4.3 Data revision

4.3.1 Data revision - policy

Unadjusted indices of a base year:

A first provisional index result is published within 37 days after the end of the reference month. If necessary, the provisional result will be revised one month later and published as the corrected result (t+67). All other corrections of the reference year are accounted for once a year in an annual revision. The results of the annual revision of the original (not seasonally adjusted) values are published in April of the subsequent year at the latest; then they are final.

Rebasing of unadjusted indices:

In addition to the above-mentioned revisions, the base year is changed every five years, about two years after the end of the base year period. When the rebased index is released, the index values published previously are revised as of January of the new base year. As regards the indices of periods before January of the base year, rebasing causes changes in the index level while the change rates (change on the previous month and on the same month a year earlier) remain unchanged.

Seasonally adjusted indices:

Additional revisions can also occur due to calendar and seasonal adjustments. All calendar and seasonal factors are estimated one year in advance. As a rule, the estimated factors are used for current adjustment. Regarding the results for main industrial groupings, there are monthly checks to ensure that the factors are representative. Where necessary, they are re-estimated. Such re-estimation may cause changes in the adjusted current results, but also in earlier results. Results of past periods may be revised back to January of the base year; earlier results are not revised.

4.3.2 Data revision - practice

Unadjusted indices of a base year:

At the time the provisional index result is calculated, nonresponse is still high for the survey data on which the index calculation is based. Missing data are estimated. These estimates are replaced by the more complete survey data available four weeks later. The corrected index thus calculated is published together with the provisional index of the following month. Later reporting updates are accounted for when the annual revision is carried out.

Rebasing of unadjusted indices:

When an index is rebased, the weights are updated and, where necessary, methodological changes are implemented.

Seasonally adjusted indices:

The aggregates of the main industrial groupings and divisions of economic activity are subjected to monthly checks to ensure that the seasonal factors are still representative, while the factors of other aggregates are checked once a year.

4.3.3 Data revision - analysis

A revision difference is measured as the difference between the last published and the first published value of the previous month’s rates. Usual revision measures are the "mean revision (MR)" and the "mean absolute revision (MAR)", which determine the arithmetic mean of the observed deviations. In the MAR, the sign is not taken into account. Further information can be found in the article: "Analyse der Revisionen ausgewählter Konjunkturindikatoren", in: Statistisches Bundesamt, Wirtschaft und Statistik 5/2009, pp. 406-415.

On the basis of the mean revision, the previous month’s rates of the non-seasonally adjusted index of new orders in industry were revised by an average of 0.4 percentage points. Regarding the mean absolute revision, the relevant value is 0.7 percentage points. For the previous month’s rates of the seasonally adjusted index of new orders in industry, the mean revision is 0.4 and the mean absolute revision 0.8 percentage points (period: reference month January 2018 to reference month August 2021).

5 Timeliness and punctuality

5.1 Timeliness

As provisional results are published within 37 days after the end of the reference month, the indices provided are quite up-to-date when they are released. These are quantitative results based on data collected for the target variables from a representative number of local units. More recent information on economic performance is only available as qualitative results based on estimates (not official statistics, e.g. surveys of managers) or approximate values (e.g. truck toll mileage). The provisional results are revised and published as a corrected result (t + 67). The results of the annual revision regarding the (non-seasonally adjusted) original values are published no later than April of the following year and are then final.
5.2 Punctuality
Release dates are scheduled for a whole year and published in advance in the release calendar of the Federal Statistical Office. There was 100% adherence to time schedules in the last few years; results could always be released on the dates published.

6 Comparability
6.1 Comparability - geographical
The breakdown by economic activity and main industrial grouping is based on classifications of the European Union and is generally comparable across the EU.

6.2 Comparability over time
The time series with monthly values starts from January 1991, the individual time series values refer to the end of the respective reference month. However, only the indices of a base year can be compared over time. There has been no break in the time series since the current base year 2015 (length of the time series with comparable values: 76; status: May 2021; the value is increased by one for each additional month until the next base changeover). Structural changes, for instance due to changes in the way local units report their data, are eliminated by adjusting the reference variable of the branch indices where this can be done with the information available. In formal terms, the indices of different base years are comparable over time. Changes in the weighting structures, classifications (changeover to WZ 2008 and 2005 as the new base year), the groups of respondents and the territorial status impair the analysis of long time series that include indices of different base years.

7 Coherence - cross domain
The indices can be combined with the results of other economic statistics where these relate to the Classification of Economic Activities (WZ 2008) and to local kind-of-activity units.

8 Dissemination and communication
8.1 Dissemination format
News release
The first results are published in a press release (www.destatis.de/presse).

Publications
None.

Online database
At the same time, the results can also be accessed in table 42151 of the GENESIS-Online database (www.destatis.de/genesis).

Micro-data access
The calculation is based on aggregated data of the source statistics.

Other
The index results are shown in "Short-term indicators": www.destatis.deThemesEconomyShort-term indicators. The cyclical development of the index is shown in the "Business cycle monitor": www.destatis.deThemesEconomyShort-term indicatorsBusiness cycle monitor.

8.2 Documentation on methodology

8.3 Release policy
Release calendar
Release dates are scheduled for a whole year and published in advance in the release calendar of the Federal Statistical Office.

Release calendar access
The annual release calendar is provided on the website of the Federal Statistical Office at www.destatis.de/presseAnnual release calendar.

User access
Online via www.destatis.de.

9 Comment
None.