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A comparative analysis between industrial gross value added and production in the euro area

Topic 7 – Better statistics for a globalised world

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Introduction

A comparative analysis between value added and production for industry excluding construction in the euro area in volume terms shows that differences in terms of growth are not atypical and can last for several quarters in a row. Moreover, persistent level differences between the two measures might exist. The main factors that explain these differences are described: the treatment of prices and seasonality as well as the coverage of economic activity and the country coverage. The treatment of seasonal adjustment and economic activity coverage are more closely analysed. The relative importance of the various factors is, however, difficult to assess, in particular for a specific quarter. It is therefore recommendable that analysts and policy makers monitor both measures to assess the industrial cyclical development, keeping in mind that earlier released industrial production growth is not one-to-one translated into value added growth. Future work for statisticians is a further harmonisation between national accounts and short-term statistics as well as between national practices for seasonal adjustment.