

DS/42 (HA251)
PA 130

Q42 (R834)

1981

BRITISH LIBRARY
- 8 AUG .983
OF POLITICAL AND
ECONOMIC SCIENCE

HMSO

Business Statistics Office

Business Monitor

Report on the
Census of Production

Extraction of mineral oil
and natural gas



A publication of the Government Statistical Service

A publication of the Government Statistical Service

PRICE INCREASES

Prices of Business Monitors in 1983 have been set to make some contribution to the costs incurred at the Business Statistics Office in the preparation of Monitors.

SPECIAL NOTE FOR PURCHASERS

Reports on the Census of Production for separate industries are being published in the Business Monitor series. These Monitors have a code P (for production) followed by A (indicating an annual series) and then by a number indicating the industry covered by the report.

Commencing with the 1980 census, the first Annual Census of Production to be conducted on the Standard Industrial Classification (Revised 1980), separate reports will in general appear for each 3 digit Group of the new classification. Results for 1980 include 1979 back data but more detailed 1979 figures based on the new classification have been published as a single separate Business Monitor (PA1002.1). This includes the results of the 1979 Purchases Inquiry. Reports on the Census of Production for the years prior to 1980 are available at 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 from HMSO, PO Box 569, London, SE1 9NH, Tel No: 01-928-6977. A standing order ensures that selected titles in the annual series are supplied automatically on publication. A £25 deposit will open an account.

Additionally single copies of the reports can be obtained from HMSO Bookshops and are individually priced.

GOVERNMENT STATISTICAL SERVICE

A service of statistical information and advice is provided to the Government by specialist staffs employed in the statistics division 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
Government Buildings
Cardiff Road
Newport
Gwent
NPT 1XG

Tel: Newport 56111 (STD Code 0633) Ext 2455
Telex 497121 Answer Back BSONPTG

**Report on the
Census of Production
1981**

**Extraction of mineral oil
and natural gas**

Presented by the Secretary of State for Industry
to Parliament in pursuance of the Statistics of Trade Act 1947
(10 & 11 Geo.6 Cha.39 sec 7)

Department of Industry
Business Statistics Office

London: Her Majesty's Stationery Office

LIST OF INDUSTRY REPORTS

- PA1001 Introductory notes
- PA111 Coal extraction and manufacture of solid fuels
- PA120 Coke ovens
- PA130 Extraction of mineral oil and natural gas
- PA140 Mineral oil processing
- PA161 Production and distribution of electricity
- PA162 Public gas supply
- PA170 Water supply industry
- PA210 Extraction and preparation of metalliferous ores
- PA221 Iron and steel industry
- PA222 Steel tubes
- PA223 Drawing, cold rolling and cold forming of steel
- PA224 Non-ferrous metals industry
- PA231 Extraction of stone, clay, sand and gravel
- PA239 Extraction of miscellaneous minerals (including salt)
- PA241 Structural clay products
- PA242 Cement, lime and plaster
- PA243 Building products of concrete, cement or plaster
- PA244 Asbestos goods
- PA245 Working of stone and other non-metallic minerals
- PA246 Abrasive products
- PA247 Glass and glassware
- PA248 Refractory and ceramic goods
- PA251 Basic industrial chemicals
- PA255 Paints, varnishes and printing ink
- PA256 Specialised chemical products mainly for industrial and agricultural purposes
- PA257 Pharmaceutical products
- PA258 Soap and toilet preparations
- PA259 Specialised chemical products mainly for household and office use
- PA260 Production of man-made fibres
- PA311 Foundries
- PA312 Forging, pressing and stamping
- PA313 Bolts, nuts, etc.; springs; non-precision chains; metals treatment
- PA314 Metal doors, windows, etc.
- PA316 Hand tools and finished metal goods
- PA320 Industrial plant and steelwork
- PA321 Agricultural machinery and tractors
- PA322 Metal-working machine tools and engineers' tools
- PA323 Textile machinery
- PA324 Machinery for the food, chemical and related industries; process engineering contractors
- PA325 Mining machinery, construction and mechanical handling equipment
- PA326 Mechanical power transmission equipment
- PA327 Machinery for printing, paper, wood, leather, rubber, glass and related industries: laundry and dry cleaning machinery
- PA328 Miscellaneous machinery and mechanical equipment
- PA329 Ordnance, small arms and ammunition
- PA330 Manufacture of office machinery and data processing equipment
- PA341 Insulated wires and cables
- PA342 Basic electrical equipment
- PA343 Electrical equipment for industrial use, and batteries and accumulators
- PA344 Telecommunication equipment, electrical measuring equipment, electronic capital goods and passive electronic components
- PA345 Miscellaneous electronic equipment
- PA346 Domestic-type electric appliances
- PA347 Electric lamps and other electric lighting equipment
- PA351 Motor vehicles and their engines
- PA352 Motor vehicle bodies, trailers and caravans
- PA353 Motor vehicle parts
- PA361 Shipbuilding and repairing
- PA362 Railway and tramway vehicles
- PA363 Cycles and motor cycles
- PA364 Aerospace equipment manufacturing and repairing
- PA365 Miscellaneous vehicles
- PA371 Measuring, checking and precision instruments and apparatus
- PA372 Medical and surgical equipment and orthopaedic appliances
- PA373 Optical precision instruments and photographic equipment
- PA374 Clocks, watches and other timing devices
- PA411 Organic oils and fats
- PA412 Processing of bacon, meat and poultry
- PA413 Preparation of milk and milk products
- PA414 Processing of fruit and vegetables
- PA415 Fish processing
- PA416 Grain milling
- PA419 Bread, biscuits and flour confectionery
- PA420 Sugar and sugar by-products
- PA421 Ice-cream, cocoa, chocolate and sugar confectionery
- PA422 Animal feeding stuffs
- PA423 Starch and miscellaneous foods
- PA424 Spirit distilling and compounding
- PA426 Wines, cider and perry
- PA427 Brewing and malting
- PA428 Soft drinks
- PA429 Tobacco industry
- PA431 Woollen and worsted industry
- PA432 Cotton and silk industries
- PA433 Throwing, texturing, etc. of continuous filament yarn
- PA434 Spinning and weaving of flax, hemp and ramie
- PA435 Jute and polypropylene yarns and fabrics
- PA436 Hosiery and other knitted goods
- PA437 Textile finishing
- PA438 Carpets and other textile floorcoverings
- PA439 Miscellaneous textiles
- PA441 Leather (tanning and dressing) and fellmongery
- PA442 Leather goods
- PA451 Footwear
- PA453 Clothing, hats and gloves
- PA455 Household textiles and other made-up textiles
- PA456 Fur goods
- PA461 Sawmilling, planing, etc. of wood
- PA462 Manufacture of semi-finished wood products and further processing and treatment of wood
- PA463 Builders' carpentry and joinery
- PA464 Wooden containers
- PA465 Miscellaneous wooden articles
- PA466 Articles of cork and plaiting materials, brushes and brooms
- PA467 Wooden and upholstered furniture and shop and office fittings
- PA471 Pulp, paper and board
- PA472 Conversion of paper and board
- PA475 Printing and publishing
- PA481 Rubber products
- PA483 Processing of plastics
- PA491 Jewellery and coins
- PA492 Musical instruments
- PA494 Toys and sports goods
- PA495 Miscellaneous manufacturing industries
- PA500 Construction
- PA1002 Summary tables

PA130 EXTRACTION OF MINERAL OIL AND NATURAL GAS

PA130

The information in this report relates to establishments classified to the Extraction of mineral oil and natural gas industry, Group 130 in the Standard Industrial Classification Revised 1980. The industry Group covers the following Activity Heading:—

1300 Extraction of mineral oil and natural gas

Exploration for and extraction of petroleum on land and offshore; "petroleum" in this context includes mineral oil, methane, ethane, propane, butane and condensates. The heading includes the activities of holders of petroleum exploration and production licences. Also included are the activities of licensees' contractors and agents providing services unique to this industry and not allocable to any other heading in the classification, e.g. well drilling, seismic surveying specifically for petroleum deposits and offshore pipelaying. (The provision of other services, e.g. manufacturing, repairing, catering, transport, procurement or hiring should be included in the appropriate headings elsewhere in the classification). Mining and retorting of oil shale are included under this heading. Also included is the operation of land terminals for stabilisation, separation and storage, and of offshore or land pipelines between well-head and terminal. Other land pipelines are classified to Group 140 if feeding a refinery, Group 162 if part of the distribution of gas, Group 612 if part of the distribution of fuel or Group 726 if operated on a fee or contract basis.

This report relates to Great Britain and the United Kingdom Continental Shelf. The tables include information provided by the Department of Energy and the Central Statistical Office. For a full description of the 1980 classification see Standard Industrial Classification Revised 1980 obtainable from Her Majesty's Stationery Office, price £3.40.

In interpreting the data in the tables it is essential to bear in mind the notes and definitions which commence on page 6.

Table No.	Title	Page
1	Output and costs, 1979-1981	4
2	Capital expenditure, 1979-1981	5

LIST OF CONTENTS

Table No.	Title	Page
1	Output and costs, 1979-1981	4
2	Capital expenditure, 1979-1981	5

TABLE 1 INDUSTRY REPORTS

EXTRACTION OF MINERAL OIL AND NATURAL GAS PA130

Output and costs, 1979-1981

	Unit	1979	1980	1981
Sales of petroleum and goods produced	£ million	6,232.5	9,499.4R	13,186.9
Exploration and other work done, and services rendered	"	159.3	259.5R	363.6
Goods merchanted or factored	"	2.3	1.4R	2.0
Total sales and work done	"	6,394.1	9,760.3R	13,552.5
Value of physical increase in stocks and work in progress during the year at current prices	"	9.0	11.0	-15.0
Gross output	"	6,403.1	9,771.3R	13,537.5
Purchases of materials, goods and services for exploration and operating activities	"	788.9R	1,145.9R	1,647.0
Gross value added (a)	"	5,614.2R	8,625.4R	11,890.5
Total employment (b)	Thousand	16.2R	18.8R	20.2
Wages and salaries (c)	£ million	129.7	181.1R	237.9

- (a) Royalties and licence fees are no longer deducted in arriving at Gross Value Added. Accruals of Royalties and licence fees in 1981 are estimated at £1,361.5 million.
- (b) Average number employed during the year, including full and part-time employees.
- (c) The cost of employers' contributions to the national insurance, graduated pensions, other pensions and welfare schemes and the running costs of canteens is estimated for the industry at £30.0 million.

Code	Description	Code	Description
PA130	EXTRACTION OF MINERAL OIL AND NATURAL GAS	PA400	Other non-metallic mineral products
PA131	Crude petroleum	PA401	Crude petroleum
PA132	Refined petroleum	PA402	Refined petroleum
PA133	Other petroleum products	PA403	Other petroleum products
PA134	Coal	PA404	Coal
PA135	Other solid fossil fuels	PA405	Other solid fossil fuels
PA136	Gas	PA406	Gas
PA137	Electricity	PA407	Electricity
PA138	Water supply	PA408	Water supply
PA139	Other non-fuel minerals	PA409	Other non-fuel minerals
PA140	Other non-fuel minerals	PA410	Other non-fuel minerals
PA141	Other non-fuel minerals	PA411	Other non-fuel minerals
PA142	Other non-fuel minerals	PA412	Other non-fuel minerals
PA143	Other non-fuel minerals	PA413	Other non-fuel minerals
PA144	Other non-fuel minerals	PA414	Other non-fuel minerals
PA145	Other non-fuel minerals	PA415	Other non-fuel minerals
PA146	Other non-fuel minerals	PA416	Other non-fuel minerals
PA147	Other non-fuel minerals	PA417	Other non-fuel minerals
PA148	Other non-fuel minerals	PA418	Other non-fuel minerals
PA149	Other non-fuel minerals	PA419	Other non-fuel minerals
PA150	Other non-fuel minerals	PA420	Other non-fuel minerals

TABLE 2

DERIVED STATISTICS

PA130

Capital expenditure, 1979-1981
All United Kingdom undertakings classified to the industry (a)(b)

	1979	1980	1981
Land and buildings (c)			
New building work	1,198.9R	1,377.0R	1,788.6
Land and existing buildings			
Acquisitions	0.4	0.3	0.3
Disposals	24.5	4.8	7.6
Plant and machinery (d)			
Acquisitions	919.9	1,045.4R	1,034.3
Disposals	20.9	11.3R	3.2
Vehicles, ships, mobile drilling rigs and specialised floating equipment			
Acquisitions	56.2	43.6R)	-9.3 net
Disposals	5.8	8.6)	
Total net capital expenditure	2,124.2R	2,441.6R	2,803.0

- (a) The figures in this table differ from those published elsewhere for Gross Domestic Fixed Capital Formation of the industry. Imported items are included in capital formation when they arrived in this country. In most cases this happens during the same period as payment is made. However, for items with a lengthy construction period e.g. off-shore platforms, expenditure may be spread over several years, causing the two series to diverge.
- (b) Capital expenditure in respect of fields where production had not commenced before the end of the year, is included.
- (c) Including off-shore production platforms, production and appraisal wells, tanker off-shore loading systems, pipelines and terminals. The cost of installing these items is also included.
- (d) Including platform modules and equipment and their installation.

LIST OF CONTENTS

Title	Table No
Output and costs, 1979-1981	1
Capital expenditure, 1979-1981	2

NOTES

These notes give the information needed for interpreting the figures published in this Business Monitor alone; more detailed information about the Census of Production in general is given in a separate Business Monitor — PA1001 (Introductory Notes) of the Report on the Census of Production, 1981.

STATISTICAL UNITS

The statistical unit for the purpose of this industry is the undertaking, which includes the holders of petroleum exploration and production licences, and the activities of companies providing services unique to this industry. Holders of licences are required to provide separate information for each individual field or project, and where licensees operate in consortia, the bulk of the information is derived from returns submitted by the operator of the consortium. Because of this complex consortium and company organisation of UK Continental Shelf development, the enterprise unit used in the census generally has little meaning in this industry and is not used.

SOURCES OF INFORMATION

The information published in this Business Monitor is supplied primarily by the Department of Energy. Most of this information is derived from quarterly inquiries conducted by the Business Statistics Office on behalf of the Department of Energy, which collect similar information to that collected in the Census of Production for other industries. The inquiry addressed to holders of seaward and landward licences is an administrative inquiry conducted under the terms of these licences issued under the Petroleum and Submarine Pipe-lines Act, 1975. The inquiries addressed to Contractors and to holders of exploration licences are conducted under the Statistics of Trade Act, 1947.

DERIVED STATISTICS

Gross Value Added for this industry is calculated as the difference between total revenues and current (exploration and operating) expenditures having first deducted from total current expenditures the amounts reported to be operating wages and salaries. The wages and salaries reported at table 1 are, however, the total wages and salaries of the industry and may include those of employees directly engaged in exploration or development activity.

In line with the changed treatment recently adopted for the National Accounts, Royalties and licence fees are no longer deducted in the computation of Gross Value Added. Revised figures for 1976–8 on this basis are available on application to Branch EcSD of the Department of Energy.

Operating ratios such as gross value added per head are not computed for this industry where, because of the large amounts of capital employed and the special nature of UK Continental Shelf development, they would have little meaning.

SYMBOLS USED

The following symbols are used throughout the PA series of Business Monitors:

- .. not available
- nil or less than half the final digit shown
- * figures cannot be shown owing to the risk of disclosing information about individual enterprises
- R revised

NOTES

These notes give the information needed for interpreting the figures published in this Business Monitor along with more detailed information about the Census of Production in general is given in a separate Business Monitor - PA1001 (Introductory Notes) of the Report on the Census of Production, 1981.

STATISTICAL UNITS

The statistical unit for the purpose of this industry is the undertaking, which includes the holders of petroleum exploration and production licences, and the activities of companies providing services unique to this industry. Holders of licences are required to provide separate information for each individual field or project, and where licences operate in consortia, the bulk of the information is derived from returns submitted by the operator of the consortium. Because of this complex consortium and company organisation of UK Continental Shelf development, the enterprise unit used in the census generally has little meaning in this industry and is not used.

SOURCES OF INFORMATION

The information published in this Business Monitor is supplied primarily by the Department of Energy. Most of this information is derived from quarterly inquiries conducted by the Business Statistics Office on behalf of the Department of Energy, which collect similar information to that collected in the Census of Production for other industries. The inquiry addresses all holders of oil and gas licences and is an administrative inquiry conducted under the terms of these licences issued under the Petroleum and Submarine Pipe-lines Act, 1975. The inquiries addressed to Contractors and holders of exploration licences are conducted under the Statistics of Trade Act, 1947.

DERIVED STATISTICS

Gross Value Added for this industry is calculated as the difference between total revenues and current (exploration and operating) expenditures having first deducted from total current expenditures the amounts reported to be operating wages and salaries. The wages and salaries reported at table 1 are, however, the total wages and salaries of the industry and may include those of employees directly engaged in exploration or development activity.

In line with the changed treatment recently adopted for the National Accounts, Royalties and licence fees are no longer deducted in the computation of Gross Value Added. Revised figures for 1979-8 on this basis are available on application to Branch E4SD of the Department of Energy.

Operating ratios such as gross value added per head are not computed for this industry where, because of the large amounts of capital employed and the special nature of UK Continental Shelf development, they would have little meaning.

SYMBOLS USED

The following symbols are used throughout the PA series of Business Monitors:

- not available
- .. or less than half the final digit shown
- * figures cannot be shown owing to the risk of disclosing information about individual enterprises
- † revised

© Crown copyright 1983

Her Majesty's Stationery Office

Government Bookshops

49 High Holborn, London WC1V 6HB
13a Castle Street, Edinburgh EH2 3AR
Brazenose Street, Manchester M60 8AS
Southey House, Wine Street, Bristol BS1 2BQ
258 Broad Street, Birmingham B1 2HE
80 Chichester Street, Belfast BT1 4JY

*Government publications are also available
through booksellers*

'Brief extracts from this publication may be reproduced provided the source is fully acknowledged. Proposals for reproduction of larger extracts should be addressed to the Librarian, Business Statistics Office, Government Buildings, Cardiff Road, Newport, Gwent NPT 1XG.'