



BOARD OF TRADE

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42 [HA 251]

Report on the Census of Production 1963

21 Tobacco

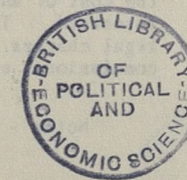
LONDON: HER MAJESTY'S STATIONERY OFFICE
PRICE THREE SHILLINGS NET

BOARD OF TRADE

Report on the Census of Production 1963

21 Tobacco

*Presented by the Board of Trade to Parliament in pursuance of the
Statistics of Trade Act 1947 (10 & 11 Geo. 6 Cha. 39 Sec. 7)*



LONDON: HER MAJESTY'S STATIONERY OFFICE
1968

Notes

These notes give the main information needed for interpreting the figures in the industry reports. (More detailed information about the Census is given in a separate booklet - 'Introductory Notes': Part 1 of the Report on the Census of Production for 1963.)

GENERAL INFORMATION

Changes in the 1963 census

There were few changes resulting from amendments to the Standard Industrial Classification and only minor changes in the scope of certain industry reports compared with 1958. Any such changes are explained in the introductions to the industry reports concerned or by footnotes to the tables.

Industrial Classification

Establishments were classified to industries on the basis of major activity in conformity with the second edition of the Standard Industrial Classification (Consolidated Edition 1963, incorporating Amendment 1). Each industry was basically defined in terms of its principal products, these being of a similar nature or commonly associated in production. Normally, an establishment was classified to an industry if its sales of the principal products of that industry accounted for a greater proportion of its total sales than did its sales of the principal products of any other industry. However, where the application of this rule would have resulted in a change of classification between 1958 and 1963, the establishment was reclassified only if the sales of principal products of the newly predominant industry was more than one third greater than the sales of principal products of the previously predominant industry. This modification of the general rule was introduced for 1958 to avoid discontinuities which would result from marginal changes in sales between successive censuses.

The principal of classification by major output was also normally followed in compiling the analysis by sub-divisions of an industry.

In certain industries, classification was dealt with in a different way. Details of any non-standard treatment are given in the introductions to the relevant industry reports.

TERMS USED IN THE CENSUS REPORT

Average number employed

Firms were required to state the number of persons on the payroll (i.e. whose National Insurance cards were held by them) on the average during the year of return, whether full-time or part-time employees. Separate figures were required for (a) administrative, technical and clerical employees and (b) operatives (see below). Averages could be calculated from figures relating to the last week of each calendar month; figures shown in respect of the average number employed relate to the sum of these averages. Firms were also required to state the number of working proprietors (see below) where appropriate and these are included in total employment figures. Outworkers are excluded.

The figures include persons engaged in merchandising or factoring and canteen workers where particulars in respect of these activities could not be excluded from the return.

Working Proprietors

These include all persons regarded as 'self-employed' for National Insurance purposes, and members of their families who worked in the business without receiving a fixed wage or salary; but persons who worked less than half the normal number of working hours are excluded. For Great Britain, directors working in the business but not in receipt of a definite wage, salary or commission are included under this heading for 1963, but are excluded for 1958. For Northern Ireland, directors of limited companies, other than those paid by fee only, are included for both years. (Directors paid by fee only are not included in any of the employment figures for either year.)

Employees

- (i) Administrative, technical and clerical employees include managers, superintendents and works foremen; research, experimental, development, technical and design employees (other than operatives); draughtsmen and tracers; editorial staff, staff reporters, canvassers, competition and advertising staff; travellers; and office (including works office) employees. For Great Britain, but not for Northern Ireland, they include also managing and other directors in receipt of a definite wage, salary or commission.
- (ii) Operatives include all other classes of employees, that is, broadly speaking, all manual wage earners. They include those employed in and about the factory or works; operatives employed in power houses, transport work, stores, warehouses, shops and canteens; inspectors, viewers and similar workers; maintenance workers; and cleaners. Operatives engaged in outside work of erection, fitting, etc. are also included, but outworkers (i.e. persons employed by the firm who worked in their own homes, etc. on materials supplied by the firm) are excluded. Information about the numbers of outworkers employed was collected only for the gloves industry.

Capital Expenditure

- (i) New building work.

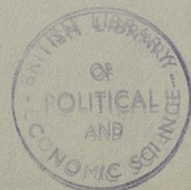
This represents the cost incurred during the year of new building and other new constructional work (including office buildings, canteens and the like used in connection with the business covered by the return but not dwelling houses for employees). The value is that charged to capital account during the year of return; it includes expenditure on new buildings or on the extension or reconstruction of old buildings, the value of work of a capital nature carried out by firms' own staff, and the cost of any newly constructed buildings purchased. The figures shown include any legal charges, stamp duties, agents' commissions, etc.

21 Tobacco

This Report on the Tobacco Industry relates to establishments engaged wholly or mainly in manufacturing tobacco, cigars, cigarettes and snuff.

This industry corresponds to minimum list heading 240 in the Standard Industrial Classification (Consolidated edition, 1963).

In interpreting the data in the tables it is essential to bear in mind the notes and definitions which appear on pages (ii), (iii) and (iv).



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TABLE 1 Industry summary: United Kingdom
Estimates for all firms, 1958 and 1963 (a)

	Unit	1958	1963
Number of enterprises	No.	43	29
Number of establishments	"	80	60
Gross output	£'000	984,538	1,224,400
Net output	"	84,690	109,655
Net output per head	£	1,910	2,534
Sales and work done	£'000	952,193	1,172,384(b)
Customs and Excise duty (net)	"	..	919,813
Purchases	"	895,265(c)	129,499
Payments to other organisations	"	6	2,925
Stocks and work in progress	"		
Total stocks and work in progress	"	- 75	- 5,358
Goods on hand for sale	"	139,122	146,577
Work in progress	"	+ 2,100	- 2,566
Materials, stores and fuel	"	24,682	23,684
Average number employed	Th.	44.3	43.3
Wages and salaries	£'000	15,720	20,399
Employers' contributions to National Insurance and private pension schemes, etc. (e)	"	7,566	9,926
Capital expenditure (f)	"	..	2,635
Total	"	..	7,297
New building work	"	1,105	532
Land and existing buildings (g)	"	..	39
Plant and machinery (g)	"	4,554	6,540
Vehicles (g)	"	163	185

(a) For 1963, estimates for small firms and for firms not making satisfactory returns accounted for less than 1 per cent. of the total figures in which they were incorporated. (For 1958 the comparable figure was also less than 1 per cent.) A summary of the detailed returns received is given in Table 2.

(b) Including services rendered to other organisations (amounts charged for hiring out plant, machinery and other goods, for providing transport, or for technical or other services rendered).

(c) Including duty paid, less drawbacks, rebates, etc.

(d) Administrative, technical and clerical employees.

(e) Including pensions and gratuities paid other than from pension funds.

(f) Excluding expenditure for establishments not yet in production.

(g) Acquisitions less disposals.

TABLE 2 Summary of returns received from larger firms, 1958 and 1963
Firms employing 25 or more persons: United Kingdom (a)

	Unit	1958	1963
Number of enterprises	No.	26	16
Number of establishments	"	62	47
Gross output	£'000	981,142	1,220,099
Net output	"	84,398	109,270
Net output per head	£	1,910	2,534
Sales and work done	£'000	948,908	1,168,265(b)
	"	30,206	55,735
Index of specialisation (c)	Per cent.	100	100
Customs and Excise duty (net) (d)	£'000	..	916,582
Purchases	"	892,177(e)	129,044
	"		60,851
Payments to other organisations	"	6	2,915
	"	2,459	
Stocks and work in progress	"		
Goods on hand for sale	"	+ 2,093	- 2,557
	"	24,596	23,601
Work in progress	"	- 65	- 1,345
	"	20,729	25,295
Materials, stores and fuel	"	- 2,103	- 1,437
	"	93,316	97,166
Average number employed	No.	44,188	43,118
	"	35,093	33,590
	"	9,092	9,525
Wages and salaries	£'000	15,668	20,334
	"	7,541	9,894
Wages and salaries per head	£	446	605
	"	829	1,039
Employers' contributions to National Insurance (g)	£'000	..	1,123
Employers' contributions to private pension schemes, etc. (h)	"	..	1,503
Capital expenditure (i)	"		
New building work	"	1,101	530
Land and existing buildings	"	..	39
	"	..	
Plant and machinery	"	4,926	7,163
	"	387	646
Vehicles	"	259	372
	"	96	187

For notes to this table - see page 21/6

TABLE 3 Analysis of larger firms by size of enterprise within the industry, 1963
(i) Output, employment, capital expenditure and stocks
Firms employing 25 or more persons: United Kingdom

Average number employed by the enterprise in the industry (a)	Enterprises	Establishments	Average number employed (a)	Gross output	Net output	Net output per head	Capital expenditure (b)	Total value of stocks and work in progress at end of year
	Number	Number	Number	£'000	£'000	£	£'000	£'000
25 - 49	6	7	197	1,351	281	1,427	9	432
50 - 199	4	5	420	5,794	672	1,599	10	1,380
200 and over	6	35	42,501	1,212,954	108,317	2,549	7,252	144,250
Total	16	47	43,118	1,220,099	109,270	2,534	7,271	146,062

(ii) Employees, wages and salaries, and employers' contributions
Firms employing 25 or more persons: United Kingdom

Average number employed by the enterprise in the industry (a)	Employees		Wages and salaries		Employers' contributions		Wages and salaries per head	
	Operatives	Others (c)	Operatives	Others (c)	National Insurance (d)	Private pension schemes, etc. (e)	Operatives	Others (c)
	Number	Number	£'000	£'000	£'000	£'000	£	£
25 - 49	141	56	66	72	5	6	468	1,281
50 - 199	273	147	132	113	11	6	482	770
200 and over	33,176	9,322	20,137	9,709	1,108	1,491	607	1,042
Total	33,590	9,525	20,334	9,894	1,123	1,503	605	1,039

(a) Including working proprietors.

(b) Acquisitions less disposals.

(c) Administrative, technical and clerical employees.

(d) Including both flat rate and graduated contributions.

(e) Including pensions and gratuities paid other than from pension funds. These amounted in total to £250,000.

Table 4 Percentage analysis of employees, by age and sex, all firms, 1963: United Kingdom (a)

Ages	Males	Females	All employees
	Per cent.	Per cent.	Per cent.
Under 18	1	8	9
18 and over	39	52	91
All ages	40	60	100

Source: Ministry of Labour

(a) The percentages relate to the numbers employed (excluding working proprietors) at mid-June, 1963.

Footnotes to Table 2.

(a) The following information relates to small firms (employing fewer than 25 persons) in this industry.

	1958	1963
Number of firms	18	13
Average persons employed:		
Working proprietors	} 153 {	14
Other persons employed		138

(b) Including services rendered to other organisations (amounts charged for hiring out plant, machinery and other goods, for providing transport or for technical or other services rendered).

(c) This is the ratio of total sales of principal products by the industry to total sales of goods produced and work done.

(d) Duty paid on unmanufactured tobacco and on clearances for home consumption of tobacco manufactured in bond was £1,113,081,000 for 1963; similar information is not available for 1958. The value of drawback receivable on tobacco and offals exported, deposited, abandoned to H.M. Customs and Excise, etc. was £197,419,000 for 1958 and £196,499,000 for 1963.

(e) Including duty paid, less drawbacks, rebates, etc.

(f) Administrative, technical and clerical employees.

(g) Including both flat rate and graduated contributions.

(h) Including pensions and gratuities paid other than from pension funds.

(i) Excluding expenditure for establishments not yet in production.

TABLE 5 Sales of principal products of the industry by larger firms, including sales by establishments classified to other industries, 1958 and 1963

Firms employing 25 or more persons: United Kingdom

	1958		1963		Enter-prises	Entries
	Quantity	Value	Quantity	Value		
Cigars		£'000		£'000	Number	Number
Whiffs (i.e. cigars weighing not more than 9 ozs. per 100 with ends open or closed)						
Sold duty-paid	Mn. 175 Th.lb. 681	4,386	Mn. 333 Th.lb. 1,188	9,052	6	8
Sold duty-free	Mn. 4 Th.lb. 15	45	Mn. 6 Th.lb. 24	74	*	*
Other						
Sold duty-paid	Mn. 27 Th.lb. 276	1,814	Mn. 51 Th.lb. 465	3,531	6	7
Sold duty-free	Mn. 1 Th.lb. 15	44	Mn. 3 Th.lb. 25	73	*	*
Total cigars	Mn. 207 Th.lb. 987	6,290	Mn. 393 Th.lb. 1,702	12,729		
Cigarettes(a)						
Sold duty-paid (b)						
Standard (i.e. without filter tip or plug attachment)						
Class A			Mn. 34,000 Th.lb. 63,205	259,734	5	7
Class B			Mn. 42,841 Th.lb. 103,808	429,591	8	11
Class C			Mn. 809 Th.lb. 1,971	8,928	9	9
Tipped (i.e. with filter tip or plug attachment)	Mn. 105,422 Th.lb. 228,264	814,371				
Class A			Mn. 9,238 Th.lb. 14,194	60,261	5	5
Class B			Mn. 27,869 Th.lb. 53,359	254,152	8	11
Class C			Mn. 11 Th.lb. 22	116	*	*
Sold duty-free						
Standard (i.e. without filter tip or plug attachment)			Mn. 5,175 Th.lb. 12,454	7,614	10	11
Tipped (i.e. with filter tip or plug attachment)	Mn. 15,793 Th.lb. 36,736	20,552	Mn. 5,730 Th.lb. 12,096	6,871	8	9
Total cigarettes	Mn. 121,214 Th.lb. 265,000	834,922	Mn. 125,672 Th.lb. 261,109	1,027,268		

Continued on next page

TABLE 5 (continued)

	1958		1963			
	Quantity	Value	Quantity	Value	Enter-prises	Entries
	Th.lb.	£'000	Th.lb.	£'000	Number	Number
Snuff for human use						
Sold duty-paid	651	2,240	504	1,937	6	7
Sold duty-free	38	18	62	34	6	7
Other manufactured tobacco						
Sold duty-paid						
Loose cut tobacco	1,134	3,598	3,024	11,243	9	10
Bulk roll and hard tobaccos	1,831	5,411	294	985	6	6
Proprietary shags, honeydews, mixtures, etc.	18,020	54,376	19,564	69,060	7	9
Proprietary flakes, cut plugs, navy cuts, cut bars, spun cuts, etc.	9,370	29,799	9,292	35,998	8	9
Proprietary roll, pigtail, plug and bar	2,573	7,382	1,721	5,878	7	7
Sold duty-free	5,614	2,582	2,402	1,514	8	10
Total other manufactured tobacco	38,542	103,148	36,297	124,679		
Stalks, shorts and other refuse of tobacco (including offal snuff) sold (c)	16,040	550	5,945	60	*	6
	..	1,530				
Offals abandoned to H.M. Customs and Excise on drawback (d)	7,472	-	24,243	-	14	22
Other products	..	35	..	492	*	*
Waste products	..	..	..	28	6	8
Work done on commission, sub-contract work, etc.	..	5	..	648	*	*
Total		948,738		1,167,874	..	..
Sales in other industries (see Table 6)		-		-	-	-
Principal products of this industry sold by establishments in the industry		948,738		1,167,874	16	25(e)

- (a) The weight of cigarette tissues, filter tips, etc. is excluded from the recorded weight of cigarettes.
- (b) Definitions of classes as at 10th April, 1962:
 Class A - Retail selling price at or below 1/9d. for 10.
 Class B - Retail selling price above 1/9d. but not exceeding 2/3d. for 10.
 Class C - Retail selling price exceeding 2/3d. for 10.
- (c) The value of drawback receivable was £47,548,000 for 1958 and £19,253,000 for 1963.
- (d) The value of drawback receivable was £22,769,000 for 1958 and £85,489,000 for 1963.
- (e) This figure represents the total number of returns made by larger firms in this industry, which is less than the total number of establishments in Table 2 on account of combined returns covering more than one establishment.

TABLE 6 Sales of principal products of the industry by establishments classified to other industries, 1958 and 1963

Firms employing 25 or more persons: United Kingdom

No sales of principal products of this industry were recorded by establishments classified to other industries.

TABLE 7 Sales of other than principal products by larger firms in the industry, 1958 and 1963

Firms employing 25 or more persons: United Kingdom

	1958	1963
	£'000	£'000
Other than principal products	170	352
Services rendered to other organisations (a)	..	39
Total value of goods sold without having been subjected to any manufacturing process (merchanted or factored)	29,752	55,058
Canteen takings	454	678
Total	30,376(b)	56,127

(a) Amounts charged for hiring out plant, machinery or other goods, for providing transport, or for technical or other services rendered to other organisations.

(b) Excluding amounts charged for services rendered to other organisations.

TABLE 8 Production of certain principal products of the industry by larger firms, including production by establishments classified to other industries, 1958 and 1963

This table is not applicable to this industry.

TABLE 9 Purchases of selected principal products of the industry by larger firms, 1963

This table is not applicable to this industry.

TABLE 10 Purchases by larger firms in the industry, 1954 and 1963
Firms employing 25 or more persons: United Kingdom

	1954		1963	
	Quantity	Cost	Quantity	Cost
	Th.lb.	£'000	Th.lb.	£'000
Materials for processing				
Unmanufactured tobacco	276,321	68,977	299,771	90,958
Duty-paid cut tobacco purchased	1,034	2,999	65.1	216
Stalks, shorts or other refuse of tobacco			138	491
Cigarette paper	..	1,485	..	1,920
Filter tips and materials for making them, including cork tipping or other paper used to join the tip to the tobacco portion	..	..	..	5,031
Lubricating oils and greases	..	..	Th.gal. 16.4	6 2
Replacement parts for firms' own machinery, plant and vehicles, and accessories and consumable tools bought as replacement	..	655	..	1,575
All other materials for processing	..	2,344	..	2,676
Packaging materials				
Paper and board				
Boxes, cartons, packing cases, and drums and canisters (with or without metal ends) of paper, cardboard and fibreboard	..	9,107	..	12,222
Wrapping paper (including paper coated with plastics and any laminates incorporating paper but not metal), moulded pulp units, labels and other packaging materials of paper, cardboard and fibreboard (except multiwall sacks)	..	1,016	..	4,339
Metal				
Cans and boxes	..	1,395	..	1,515
Aluminium foil and any laminates incorporating aluminium foil (a)	..	1,524	..	3,346
Timber				
Containers wholly or mainly of wood, including plywood boxes and drums, baskets and wickerwork crates	..	565	..	100
Timber (sawn or planed) for manufacture into packing cases, etc.	..	..	..	2
Plywood for manufacture into packing cases	..	..	..	..
Transparent cellulose film (including bags)	..	767	..	2,830
All other packaging materials	..	700	..	611

TABLE 10 (continued)

	1954		1963	
	Quantity	Cost	Quantity	Cost
	Th.tons	£'000	Th.tons	£'000
Fuel and electricity (b)				
Coal	18.4	79	3.3	21
Coke (including screenings) and manufactured fuel	3.9	22	0.9	8
Derv fuel and motor spirit for use in road vehicles	Th.gal. 739	154	Th.gal. 491	107
Other liquid fuels (including creosote/pitch mixtures, etc., and liquefied petroleum gases)	6,793	265	10,312	387
Gas	Th.therms 631	39	Th.therms 594	47
Electricity	Th.kWh 50,226	297	Th.kWh 100,427	633
Total cost of materials and fuel		92,390		129,044
Goods purchased for merchandising		..		60,357
Canteen purchases		..		494
Total cost of purchases		..		189,894

(a) Described in 1954 as 'Foil (including backing papers)'.

(b) Owing to the risk of disclosure of information relating to individual firms the quantity of electricity generated in 1954 and 1963 cannot be given.

TABLE 11 Transport costs and employment of larger firms, 1963
Firms employing 25 or more persons: United Kingdom

	Unit	1963
Average number employed mainly on transport	No.	530
Transport costs		
Wages and salaries	£'000	436
Derv fuel and motor spirit	"	107
Payments to other organisations for transport	"	2,573
Costs of operating road goods vehicles		
Insurance	"	9
Vehicle licences	"	12
Depreciation	"	62
Payments to other organisations for repairs and maintenance	"	35
Total	"	3,236

TABLE 12 Payments for certain services, etc. by larger firms, 1963 (a)

Firms employing 25 or more persons:
United Kingdom

	Amounts payable
Repairs and maintenance to	£'000
Buildings	380
Road goods vehicles	35
Plant, machinery, and other capital equipment	747
Insurance, licensing and depreciation of road goods vehicles (b)	84
Rates, excluding water rates	604
Hire of plant and machinery	118
Postage, telephone, telegrams and cables	342
Total	2,310

(a) No deduction is made for these payments to arrive at the figures of net output given in this report.

(b) For details see Table 11.

TABLE 13 Percentage analysis of twelve-month periods covered by returns from larger firms, 1963

Firms employing 25 or more persons:
United Kingdom

Year ended	Percentage of total number employed	Year ended	Percentage of total number employed
1963	Per cent.	1963 (contd.)	Per cent.
April (a)	0.0	November	0.0
May	0.0	December	42.7
June	1.5	1964	
July	0.0	January	0.9
August	0.4	February	0.0
September	0.0	March	0.4
October	54.1		
		Total	100

(a) Including returns made for twelve-month periods ended 1st to 5th April, 1964.

TABLE 14 Sales of all parts of machinery and plant by larger firms, including sales by establishments classified to other industries, 1958 and 1963

This table is not applicable to this industry.

Capital Expenditure (continued)

(ii) Land and existing buildings.

The items shown are the capital cost of freeholds purchased and the capital cost or premium payable for leaseholds acquired (excluding the value of any assets acquired in taking over an existing business), and the amounts receivable for any freeholds or leaseholds disposed of. The value is that charged to capital account during the year of return.

(iii) Plant, machinery and vehicles.

The items shown are the value of plant and machinery and of vehicles acquired, both new and second-hand, and the amount received for items disposed of during the year. The value of plant and machinery acquired includes plant, etc. which firms produced for their own use in connection with the business covered by the return. The value of plant, etc. acquired is the expenditure charged to capital account during the year of return less any discounts received, but including the cost of transport and installation. No deduction is made for depreciation, amortisation or obsolescence. The proceeds of items disposed of during the year exclude amounts written off for items scrapped.

Capital expenditure during the year in respect of manufacturing establishments where production had not started before the end of the year is excluded in this report for both 1958 and 1963.

Characteristic Products

The characteristic products of a sub-division are those in terms of which the sub-division is defined. They are products commonly associated in production and are usually similar in nature or manner of production. In most cases the characteristic products of each sub-division are indicated in Table 5 of the industry reports. For those industries for which an analysis by sub-divisions has been made, Table 2 shows the total sales of such characteristic products for each sub-division. The totals include, besides the products which define the sub-division, other items of output assumed to be closely related to them, e.g. waste products and work done.

Enterprise

The term enterprise is used in this report to mean one or more firms under common ownership or control. An enterprise normally consists either of a single firm, or of a parent company together with its subsidiary companies.

Entries

The number of entries shown in Tables 5, 6 and 8 against a particular output or production heading is the number of returns on which figures were recorded for that item.

Establishment

The census was based on the establishment, comprising in most cases the whole of the premises under the same ownership or management at a particular address (e.g. a factory or mine); but firms were asked to exclude from all sections of their returns particulars relating to any department not engaged in production for which they kept a separate set of accounts. Where separate accounts were not kept, they were asked to include merchandising or factoring, canteens operated by them and other

ancillary activities such as bottling, packing and the manufacture of containers for packing their own products, whether or not these activities are carried on at the same address as the works. Building and engineering maintenance departments and selling and transport departments were treated similarly.

Gross Output

The gross output of an industry is the aggregate value of goods made and other work done during the year by the establishments classified to the industry. It is derived by subtracting from the value of sales and work done, the value of stocks of goods on hand for sale and work in progress at the beginning of the year and adding the value at the end of the year.

Larger Firms

These are firms in which twenty-five or more persons were employed on the average during the year.

Net Output

The net output of an industry represents the value added to materials by the process of production. It includes the gross margin on any merchanted or factored goods sold; it constitutes the fund from which wages, salaries, insurance, pensions, hire of plant and machinery, payments for repairs and maintenance, costs of operating road vehicles, rents, rates and taxes, advertising and other selling expenses and all other similar charges have to be met, as well as depreciation and profits. There is no appreciable duplication in net output. Net output has been obtained by deducting from the gross output the cost of purchases adjusted for stock changes, payments for work given out to other firms, and payments for transport.

Normally any customs or excise duty on materials purchased is included in the cost of materials. Similarly, finished goods sold have been valued as they were sold, duty paid or duty free. The amounts of duty, subsidies, allowances and levies receivable or payable, where of substantial importance in the industry, were required to be stated separately, and these items were taken into account when calculating net output.

Net output per person employed

The figures for net output per person employed are derived by dividing the net output by the average number of persons employed (full-time and part-time) on all activities covered by the returns, including operatives, administrative, technical and clerical employees and working proprietors, but excluding outworkers.

Principal Products

The principal products of an industry are those in terms of which the industry is defined. They are products commonly associated in production, and are usually similar in nature or manner of production.

Production

This means the total quantity of a product made during the year, whether sold in the year, added to stock, transferred to another department of the same firm, or used in the manufacture of other products within the business covered by the return. It includes goods produced from materials supplied by other firms.

Purchases

Purchases include the cost of materials and components bought for use in production; of fuel and electricity for all purposes; of packaging materials, including the full cost of returnable cases and containers when first purchased; of workshop materials, office materials and materials for repairs to firms' own buildings, plant and vehicles when carried out by their own workpeople included in the return; of consumable tools; and of parts for machinery purchased during the year as replacements. Water charges are also included. In general purchases of goods for merchanting or factoring and canteen supplies are included. Materials supplied by customers for processing are excluded.

The values shown include any duty paid (less rebate, etc.) but exclude trade discounts allowed. The cost of transport is included only if included in the cost of materials as invoiced; amounts paid to transport organisations, including firms' own separate transport organisations, for delivery of materials and fuel are, therefore, excluded. Materials purchased overseas are included at their c.i.f. cost plus any duty payable if the cost of transport from the docks was not included in the invoiced price, but at their full delivered cost if invoiced 'carriage paid home'. Materials and fuel transferred from another department of the firm not covered by the same return are included at the estimated selling value recorded by the other department.

Sales

Sales are in respect of goods made by the business covered by the return, goods made for it by outworkers or by other firms from materials given out to them (sometimes described as goods made on commission) and waste products. Any machinery or other capital items produced for use in the business covered by the return are included, the value being that adopted in the firm's capital asset account. Goods sold without being subjected to any manufacturing process (merchanting or factored) and canteen takings are included as in 1958.

The value shown for sales is the net selling value, defined as the amount charged to customers whether on an ex-works or delivered basis, net of any trade discounts, agents' commissions, allowances for returnable cases, purchase tax, etc.; the net amount charged for packing materials is included. Goods charged on a delivered basis to customers overseas are included at the f.o.b. value. For work done on commission or for the trade the value shown is the net amount charged.

Where goods produced in one department were transferred to another department of the same firm not covered by the return, these transfers were treated as sales by the producing department and valued as far as possible as if they had been sold to an independent purchaser. Goods transferred to wholesale or retail selling organisations for which separate accounts were kept were valued on the same basis. Estimations of a similar kind were also sometimes necessary in valuing transfers between different firms belonging to the same enterprise. To the extent that the sales of finished products of one establishment may constitute the materials purchased by another, total figures of the value of sales (and of materials and fuel purchased) include an element of duplication.

Services rendered

This represents the amounts charged for hiring out plant, machinery and other goods, providing transport, or for any technical or other

services rendered to other organisations. It includes amounts credited for similar services rendered to other departments of the same firm not covered by the return.

Small Firms

These are firms in which fewer than twenty-five persons were employed on the average during the year.

Stocks and Work in Progress

Values are given of stocks of goods on hand for sale, and of materials and fuel, at the beginning and end of the year of return, including any stocks of goods held for merchanting or factoring. The values include duty in the case of dutiable goods held out of bond. The value of work in progress at the two dates is also usually shown. This excludes any progress payments made to sub-contractors, and no deduction is made on account of progress payments received.

Transport Payments

These represent the total amount paid or credited during the year for both outwards transport of finished goods sold and inwards transport of materials and fuel purchased. They include payments to other firms, and to any separate transport organisation of the same firm, not covered by the return, but exclude the value of transport services provided by the business covered by the return. The items included are payments for hired cartage and for inwards and outwards carriage by all forms of inland transport, i.e. railways, road haulage, canals, coast-wise shipping, air, etc. Payments made for sea freight on goods sold to customers overseas and on materials and fuel purchased from overseas suppliers are excluded.

Wages and Salaries

These are the amounts paid during the year to operatives and to administrative, technical and clerical employees. Payments to working proprietors, whether called salaries or not, are excluded; in Northern Ireland this exclusion extends also to payments to directors of limited companies. The values shown include all overtime payments, bonuses and commissions, whether paid regularly or not, and no deduction is made for income tax, insurances, contributory pensions, etc. The value of any payments in kind, travelling expenses, lodging allowances, etc. and employers' contributions to National Insurance and pension schemes is excluded.

Work given out

The figures shown represent the total amount paid for work done by other firms on materials supplied to them, and also by firms' own establishments for which separate returns were made. They do not include payments to individual outworkers or payments for business and other services.

Symbols used

The following symbols are used throughout the report:

- .. Not available
- Nil or negligible (less than half the final digit shown)
- * Figures cannot be shown owing to the risk of disclosing information about individual enterprises.

Rounding of Figures

The figures in the tables have, where necessary, been rounded to the nearest final digit. There may, therefore, be apparent slight discrepancies between the sums of the constituent items and the totals shown.

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