METHODOLOGICAL EXPLANATIONS

1. The **data source** is the NO (New Orders) chapter of the Monthly Statistical Survey on Short-Term Indicators in Industry.

2. The statistical survey is a sample survey. The stratified sampling with simple random selection without replacement within each stratum, where the stratification variables are the economic activity and the size class of the enterprise according to the number of employees, is used as type of sampling and as procedure for drawing the sample. Due to the need for comparability of results by groups of homogenous activities as well as at enterprise level from one period to another, the category of economic operators with a high economic potential (50 or more employees) is surveyed exhaustively. The sampling frame ensures a degree of representativeness (calculated according to turnover) of 94.62% of the total number of active units. The data are collected from approximately 3100 economic operators whose main activity is covered by one of the following CANE Rev. 2 divisions: 13, 14, 17, 20, 21, 24÷30. The sampling volume was determined by imposing, at country level, an accuracy of estimations of ±3%, at a confidence level of 95%.

3. Concepts and definitions

The **aim of the new orders indicator** is to measure the trend in new orders received from domestic and non-domestic customers. While the production indicator shows the trend in the volume of production and gives an indication of the trend in the value added, the data on the new orders allow a short-term forecast of the future production and turnover. The new orders received then become a part of production and subsequently a part of turnover and give a first clue as to what will happen in the short run. Therefore, the new orders index is a forecasting index that provides information on the economic cycle.

The industrial **new orders** represent the value of the contracts concluded between a producer and a customer during the reference month and involve the deliveries of goods and services that have to be made by the producer, regardless of the period in which these goods/services are to be supplied. The following items are not included in the value of orders: VAT, excise duties, price reductions, rebates and discounts given at the moment of placing an order, and the value of the packaging that is returned after delivery.

The ***main industrial groupings*** (intermediate goods, capital goods, consumer durables, consumer non-durables) represent an aggregate nomenclature of CANE Rev. 2 divisions or groups used in European statistics to characterise industry according to the purpose of the goods produced.
Intermediate goods include the following CANE Rev. 2 divisions and groups, respectively: 131, 132, 133, 17, 201, 202, 203, 205, 206, 24, 255, 256, 257, 259, 261, 268, 271, 272, 273, 274, 279.
Capital goods include the following CANE Rev. 2 divisions and groups, respectively: 251, 252, 253, 254, 262, 263, 265, 266, 28, 29, 301, 302, 303, 304.
Consumer durables include the following CANE Rev. 2 groups: 264, 267, 275, 309.
Consumer non-durables include the following CANE Rev. 2 divisions and groups, respectively: 139, 14, 204, 21.

4. Calculation algorithm

The (nominal) value indices of new orders are Laspeyres-type indices and measure their evolution (in current prices) overall, by CANE Rev. 2 divisions (13, 14, 17, 20, 21, 24÷30), as well as by main industrial groupings.

The (nominal) value indices of new orders overall (domestic and non-domestic market) are calculated as a weighted average of the new orders index for the domestic market and the new orders index for the non-domestic market, by aggregation level (division, main industrial grouping and industry overall). The weights are calculated based on turnover, in accordance with the results of the Structural Business Survey conducted in the base year (2015).

IMPORTANT! In order to show the changes in the structure of the economy, starting with the publication of the data for the reference month **January 2018**, the base year used in the calculation of indices for all short-term indicators was changed from 2010 to 2015.
The change in the base year also involves the updating of the weighting system, in order to reflect the structural changes that occurred in the activities of the national economy. These changes led to the adequate recalculation and revision of the previously published data series.
The change in the base year was made in two steps, namely the rescaling of the indices for the period 2005-2014 to the new reference year (2015=100) and the recalculation of the indices on the basis of the new weighting system starting with January 2015 and up to now.
Due to the shift to the new base year and the new weighting system (2015), the time series with 2010 as base year will no longer be available. The new data series, with 2015 as base year, will gradually be available in the TEMPO online database, starting with March 2018, when the data for January 2018 will be disseminated. These changes will also appear in the press releases, the statistical publications produced by the NIS and the TEMPO online database.

5. The calculation of the value indices of industrial new orders, compared to those of the previous month or compared to those of the same month of the previous year, is done starting from the indices with fixed base (year 2015=100) as follows:
- the value indices of industrial new orders compared to the previous month: by dividing the index with fixed base (year 2015=100) of the month concerned by the index with fixed base (year 2015=100) of the previous month, multiplied by 100;
- the value indices of industrial new orders compared to the same month of the previous year: by dividing the index with fixed base (year 2015=100) of a certain month of the year concerned by the index with fixed base (year 2015=100) of the same month of the previous year, multiplied by 100.

6. The data are provisional and can be revised periodically on the basis of rectifications performed retroactively by the economic operators included in the sample.