

The **production index** is a [business cycle](#) indicator which aims to measure changes in [value added at factor cost](#) of industry and construction over a given [reference period](#) . It does this by measuring changes in the volume of output and activity at close and regular intervals, usually monthly. European short-term statistics provide production indicators for industry and for construction. At the European level, a similar indicator is also published for services.

In order to calculate a genuine value added indicator data would be needed for an industry's gross output as well as for the inputs used in the production of these outputs. Such data are generally not available on a monthly (or quarterly) basis. In practice, suitable proxy values for the calculation of the production index are needed.

The production index should also take into account:

- changes in type and quality of the commodities and of the input materials;
- changes in stocks of finished goods and services, and work in progress;
- changes in technical input-output relations (processing techniques);
- services, such as assembly of production units, repairs or planning.

Within industry, these may include:

- gross production values ([deflated](#));
- production volumes (physical quantities data);
- [turnover](#) (deflated);
- work input;
- raw material input;
- energy input.

Within construction they may consist of:

- input data (consumption of typical raw materials, energy or labour);
- output data (production quantities, deflated production values, or deflated sales values).

In construction, separate production indices for [building](#) construction and [civil engineering](#) are calculated, according to the [Classification of types of construction \(CC\)](#) .

Related concepts

- [Producer price index \(PPI\)](#)
- [Production in construction](#)

Statistical data

- [Industrial production \(volume\) index overview](#)
- [Construction production \(volume\) index overview](#)