The terms “chemical industry” and “pharmaceutical industry” are defined by the “Statistical Classification of Economic Activities (NACE)” of the European Union.

The economic areas Chemical Industry and Pharmaceutical Industry are included in the current EU edition NACE Rev. 2 (corresponds to the German WZ 2008) as division 20 and 21. In most of the tables of our publication “Chemiewirtschaft in Zahlen”, we also report on the aggregate of both economic areas – the chemical-pharmaceutical industry.

The official statistics use four statistical units:

- **Local units:**
  Relevant data refer to local establishments, including administrative, repair, assembly and auxiliary units. Combined units (e.g. chemistry and metal) within one local establishment are counted as one whole in the economic area on which the local unit focuses – usually measured by net production value.

- **Local kind-of-activity units:**
  When preparing relevant data for local kind-of-activity units, the data from combined units (e.g. chemistry and metal) are broken down and counted in the different economic areas or the different sectors of an economic area where the individual unit needs to be classified according to its production.

- **Enterprises:**
  Relevant data refer to the smallest legally independent entity excluding legally independent subsidiaries and foreign branches. Combined enterprises are counted as one whole in the economic area on which the enterprise focuses – usually measured by net production value.

- **Kind-of-activity units:**
  When preparing relevant data, the data from combined enterprises are broken down and counted in the different economic areas or the different sectors of an economic area where the individual parts of the enterprise need to be classified according to their production.

As a matter of principle, it should be noted that only those characteristics which are prepared according to the same definitions enable real comparisons.

Example:
Enterprise A – as a legally independent entity of a larger business group – has two units, each of which produces two different product groups. Unit 1 produces chemical products (NACE-code 20) and plastic products (NACE-code 22.2). Unit 2 also produces chemical products (NACE-code 20) and is engaged in manufacture of refined petroleum products (NACE-code 19.2). Which data are included in the statistics as chemistry now depends on the level of consideration:

At the level of **local kind-of-activity units**, units 1 and 2 need to do statistical reporting individually for each unit for the production of chemical products (1a and 2a), the production of plastic products (1b) and refined petroleum products (2b). For this reason, statistical indicators by local kind-of-activity units provide the most precise statistics – because only such data are counted for chemistry that really come from the production of chemical products.

At the level of **local units**, unit 1 is included in statistics as a chemistry unit, because its highest net production value is in the production of chemical products. Applying the same criterion, unit 2 is counted in manufacture of refined petroleum products. The consequence for statistical indicators by local units is that all reporting by unit 1 is counted in chemistry (i.e. also the production of plastic products) – while all reporting by unit 2 is counted in manufacture of refined petroleum products (i.e. also the production of chemical products).

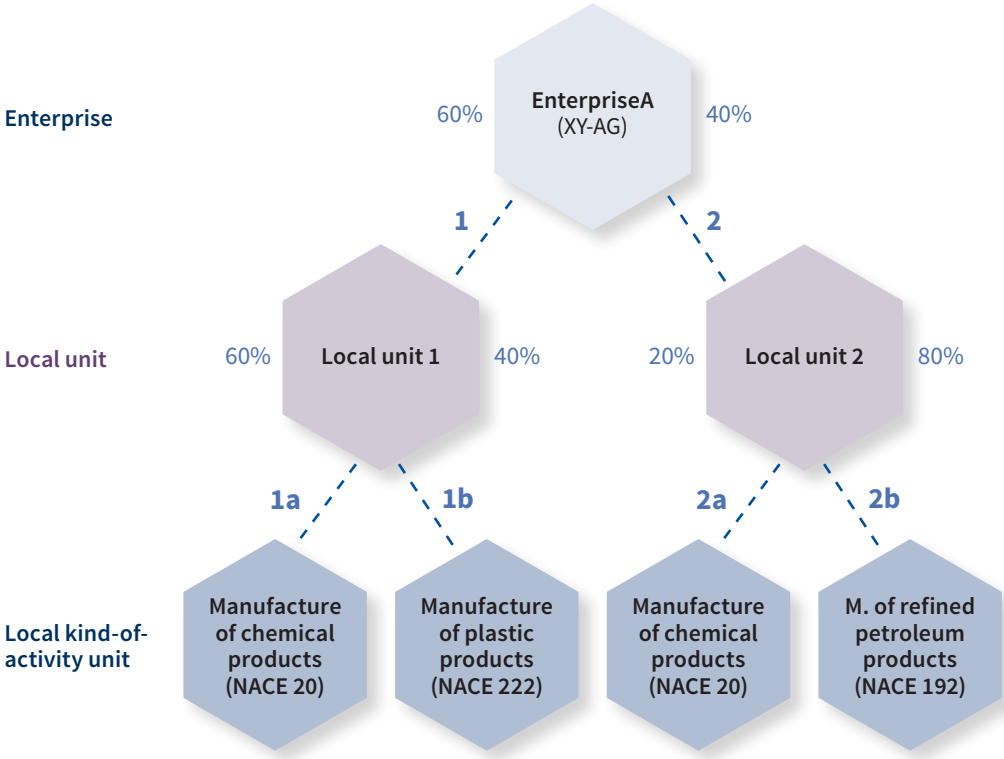
This means that statistical indicators by local units are – partly considerably – different from those by local kind-of-activity units.

Unlike in the above example, some data gathering exercises ask for data by enterprises and not by units. In our example, then enterprise A would be covered in two ways, analogously to the above:

For statistical indicators by **enterprises**, the whole enterprise A is counted as chemical industry – because the highest net production value is in local unit 1 (a chemistry unit).

This means that in our example the indicators include not only the production of chemical products but also the production of plastic products and refined petroleum products by enterprise A.

But the indicators for enterprise A could also take a separate approach by individual product groups. Then, the data by **local kind-of-activity units** would only include that part of enterprise A which really counts for the production of chemical products in both local units.
Thus, statistical data by kind-of-activity units are the total from the local kind-of-activity units.


Enterprise
Local unit
Local kind-of-activity unit
60%
EnterpriseA
(XY-AG)
40%
1
2
60%
Local unit 1
40%
20%
Local unit 2
80%
1a
1b
2a
2b
Manufacture of chemical products (NACE 20)
Manufacture of plastic products (NACE 222)
Manufacture of chemical products (NACE 20)
M. of refined petroleum products (NACE 192)