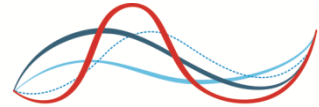




REPUBLIC OF CROATIA



CROATIAN BUREAU OF STATISTICS

QUALITY REPORT FOR STATISTICAL SURVEY
Annual GDP calculation
For 2015

Organisational unit: National Accounts Aggregates Department
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0. Basic information

- Purpose, goal, and subject of the survey

The purpose of the survey is the calculation of gross domestic product (GDP) at current prices, constant prices of the previous year and constant prices of the reference year (2015. = 100).

The calculation is performed according to the methodology of the European System of National and Regional Accounts (ESA 2010) and it is available according to three approaches:

- according to the production approach at current and constant prices: output, intermediate consumption, value added, aggregates broken down by activities
- according to the expenditure approach at current and constant prices: final consumption expenditure of households, government and non-profit institutions serving households (NPISH), gross fixed capital formation, change in inventories, export and import of goods and services
- according to the income approach at current prices: compensation of employees, taxes and subsidies on production and import, gross operating surplus and mixed income.

- Reference period

Calendar year

- Legal acts and other agreements

Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union, OJ L 174/1, 26.3.2013; Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community, OJ L 310, 30.11.1996, Council Regulation (EC, Euratom) No 1287/2003 of 15 July 2003 on the harmonisation of gross national income at market prices (GNI Regulation), OJ L181, 19.7.2003.;

Council Regulation (EC) No 448/98 of 16 February 1998 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European system of national and regional accounts (ESA), OJ L 58, 27.2.1998;98/715/EC: Commission Decision No of 30 November 1998 clarifying Annex A to Council Regulation (EC) No 2223/96 on the European system of national and regional accounts in the Community as concerns the principles for measuring prices and volumes, OJ L 340, 16.12.1998;

Commission Regulation (EC) No 113/2002 of 23 January 2002 amending Council Regulation (EC) No 2223/96 with regard to revised classifications of expenditure according to purpose, OJ L 21, 24.1.2002; Commission Regulation (EC) No 1889/2002 of 23 October 2002 on the implementation of Council Regulation (EC) No 448/98 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European System of national and regional Accounts (ESA), OJ L 286, 24.10.2002; 2002/990/EC: Commission Decision of 17 December 2002 further clarifying Annex A to Council Regulation (EC) No 2223/96 as concerns the principles for measuring prices and volumes in national accounts, OJ L 347, 20.12.2002

Accounting Act (NN, Nos 109/07, 125/11 and 54/13)

Ordinance on the Manner of Keeping the Register of Annual Financial Statements and the Manner of Receiving and Checking the Completeness and Accuracy of Annual Financial Statements and Annual Report (NN, Nos 39/08, 37/09 and 139/10)

Ordinance on the Structure and Content of Annual Financial Statements (NN, Nos 38/08, 12/09 and 130/10)

Ordinance on the Form and Content of Additional Data for Statistical and Other Purposes (NN, No. 148/10)

- Classification system

National Classification of Activities 2007

Classification of Products by Activities – KPD 2015.

National Classification of Spatial Units for Statistics 2012. – NKPJS 2012.

Classification of Individual Consumption by Purpose – COICOP

Classification of the Functions of Government – COFOG

- Concepts and definitions

The Macroeconomic Statistics Directorate applies ESA 2010 methodological guidelines as well as working papers and manuals published by Eurostat and other statistical organisations. Certain deviations from the ESA 2010 methodology are still present. For the purpose of consistent application of methodologies, the Croatian Bureau of Statistics conducts data revisions. In recent years, special attention is also given to the problem of consistent recording of data through different national accounts domains.

The main data sources for the annual GDP calculation are the Register of Annual Financial Reports of Enterprises (enterprises, banks and savings banks, insurance companies and other financial institutions) kept by the Financial Agency (FINA), the annual financial report for budgets and budgetary users, statistical report for non-profit institutions, annual data of the Tax Administration Agency for non-incorporated units and self-employed persons, statistical surveys, financial statistics and the balance of payments data of the Croatian National Bank, fiscal statistics of the Ministry of Finance and other available data sources.

The calculation has been done on the basis of available statistical data according to the National Classification of Economic Activities, 2007 version, at the division level at current and constant prices. Business entities are grouped within activities as institutional units and not as kind-of-activity units.

GDP is calculated in American dollars and euros in total and per capita on the basis of the total calculated GDP at current prices, the average annual exchange rate for American dollar and euro of the Croatian National Bank and the estimated total mid-year population.

Population data have been updated according to the population estimate of the Republic of Croatia for the period from 2001 to 2010, calculated on the basis of the 2011 Census, in order to achieve the continuity of the population estimate for the years prior to the 2011 Census and the population estimate for the years after the 2011 Census. The annual average of the total population was calculated as the average of the situation as on 31 December of the previous year and 31 December of the current year.

- Statistical units

Following the ESA 2010 guidelines, two types of units and two corresponding ways of subdividing the economy are used in national accounts: (a) institutional unit, (b) local kind-of-

activity unit (local KAU). The first type is used for describing income, expenditure and financial flows as well as balance sheets. The second type of units is used for the description of production processes, for input-output analysis and for regional analysis.

An institutional unit is an economic entity characterised by decision-making autonomy in the exercise of its principal function. A resident unit is regarded as an institutional unit on the economic territory where it has its centre of predominant economic interest if it has decision-making autonomy and either keeps a complete set of accounts, or is able to compile a complete set of accounts.

A local KAU groups all the parts of an institutional unit in its capacity as producer which are located in a single site or in closely located sites, and which contribute to the performance of an activity at the class level (four digits) of the NACE Rev. 2.

An institutional unit comprises one or more local KAUs; a local KAU belongs to one and only one institutional unit.

The Croatian annual GDP is calculated at the institutional unit level, using mainly administrative data sources. Regional accounts are based on LKAU. Sector accounts are compiled at the institutional unit level.

- Statistical population

The national accounts population of a country consists of all resident statistical units (institutional units or local KAUs). A unit is a resident unit of a country when it has a centre of predominant economic interest on the economic territory of that country, that is, when it engages for a longer period (one year or more) in economic activities on this territory.

National accounts are exhaustive. This means that all resident statistical units are covered.

1. Relevance

1.1. Data users

Primary users of the national accounts data in Croatia are the Ministry of Finance, the Ministry of Economy, financial institutions, the Croatian National Bank, the Croatian Chamber of Economy, scientific and academic institutions that conduct macroeconomic research as primary activity, newspapers specialised in the field of macroeconomics, international organisations such as IMF and OECD.

1.1.1 User needs

National accounts data provide key information for economic policy monitoring and decision making, for forecasting, for administrative purposes, for informing the general public about economic developments (directly or indirectly via news agencies) and as input for economic research.

1.1.2 User satisfaction

Views and opinions of users of national accounts statistics can be collected and analysed as one of the tools to "measure" the relevance of national accounts data.

Users ask questions and provide suggestions via the following e-mail contacts: for information and user requests stat.info@dzs.hr and for journalist requests press@dzs.hr

1.2. Completeness

In most countries, national accounts cover the domains of the main aggregates of national accounts, government accounts, sector accounts regional accounts as well as supply and use tables. However, the content of the data on these domains as well as the (details of the) various breakdowns (by regions, sector, industry, product, etc.) may deviate per country, depending on national needs and available sources.

The ESA 2010 Transmission Programme, consisting of 22 tables across all national accounts domains defines the minimum national accounts data set that must be available in all EU Member States.

The link for derogations from the ESA 2010 Transmission Programme is provided below (please see page 41 for Croatia):

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2014:195:FULLfrom=EN>.

1.2.1 Data completeness rate

Data completeness rate is: 100%.

2. Accuracy and reliability

2.1. Sampling error

Not applicable.

2.1.1 Sampling error indicators

The indicator for this survey is not applicable.

2.1.2 Bias due to sample selection process

The indicator for this survey is not applicable.

2.2. Non-sampling error

Not applicable.

2.2.1 Coverage error

There is no accurate information about the units out of coverage, but the assumption is that the number of them is very low. The Statistical Business Register continuously checks all relevant administrative sources.

2.2.2 Over-coverage rate

The indicator for this survey is not applicable.

2.2.3 Measurement errors

Controls are conducted on all relevant data sources and calculations.

2.2.4 Non-response errors

Not applicable.

2.2.5 Unit non-response rate

The indicator for this survey is not applicable.

2.2.6 Item non-response rate

The indicator for this survey is not applicable.

2.2.7 Processing errors

Not applicable.

2.2.8 Imputation rate

The indicator for this survey is not applicable.

2.2.9 Editing rate

The indicator for this survey is not applicable.

2.2.10 Hit rate

The indicator for this survey is not applicable.

2.2.11 Model assumption error

Not applicable.

2.3. Data revision

2.3.1 Data revision – policy

National accounts data are subject to continuous revisions as new input data become available. They are called routine revisions and entail regular revisions of country data and of the European aggregates, which are derived from the former.

More rarely, exceptional revisions (called benchmark revisions) will result from major changes in data sources, classifications or methodology. For example, when changing from ESA95 to ESA 2010, a benchmark revision was carried out at the country level and at the euro area/EU data level.

Two working groups developed proposals for a more harmonised approach to benchmark and routine revisions. The one under the auspices of Directors of Macroeconomic Statistics (DMES) dealt with the benchmark revision policy, while the other one under the auspices of the Committee on Monetary, Financial, and Balance of Payments Statistics (CMFB) on the European Harmonised Revision Policy dealt with routine revisions.

Regarding the revision policy for national accounts, the Croatian Bureau of Statistics published in April 2020 a national revision policy for the domain of national accounts named "Revision Policy for the Domain of National Accounts and Government Finance Statistics/Excessive Deficit Procedure Statistics". The Croatian Bureau of Statistics and Eurostat reached an

agreement during the preparation of the draft revision policy. The document is available on the website of the Croatian Bureau of Statistics.

2.3.2 Data revision – practice

While revisions should be seen as a process for a progressive improvement of the quality of national accounts as, for example, better sources and/or methods become available, the availability of metadata on revisions is a key element for understanding the national accounts data and revisions between subsequent releases.

Therefore, information on the main reasons for revisions and their nature (new source data available, new methods, etc.), as well as possible quantitative and qualitative assessment on the average size of revisions and their direction based on historical data is required.

In 2017, the Croatian Bureau of Statistics carried out the revision for the 2010 – 2016 period. The revision resulted in the GNI verifications as well as in the given reservations in July 2017 regarding the calculation of consumption of fixed capital on R&D by non-market producers and military equipment, as well as the calculation of VAT fraud with and without complicity. The revision is explained in the First Release: Annual Gross Domestic Product, 2010 – 2016, Revised Data.

After every revision of annual data, the revision of quarterly GDP, regional GDP, sector accounts and SuT was conducted.

2.3.3 Data revision – average size

The indicator for this survey is not computed.

2.4. Seasonal adjustment

The objectives of seasonal adjustment are to identify and remove seasonal fluctuations and calendar effects, which can mask short-term and long-term movements in a time series and impede a clear understanding of underlying phenomena. Seasonal adjustment is therefore a fundamental process in the interpretation of time series (ESS guidelines on seasonal adjustment, 2015 Edition, Annex, point 1).

For the selected sub-annual national accounts data, such as the quarterly main aggregates, time series are usually not only published in their unadjusted form, but also with various types of adjustment (e.g. seasonal, calendar, trend-cycle).

According to the ESA Transmission Programme, quarterly data are to be provided in non-seasonally adjusted form, as well as in seasonally adjusted form (including calendar adjustments, where relevant) except for previous year's prices.

The provision of quarterly data that only include calendar adjustments is voluntary.

For sector accounts, seasonal adjustment (including calendar adjustments, where relevant) is compulsory for a limited set of series.

For Croatian quarterly national accounts, the estimation of seasonally adjusted series generally includes calendar adjustments, but seasonally adjusted series are not comparable to annual data. The adjustment of quarterly GDP figures according to the revised annual data was carried out by using the ECOTRIM programme. The ECOTRIM has been developed by Eurostat performing a set of mathematical and statistical techniques that are used for temporal disaggregation of data. Since February 2015, for QNA, the applied seasonal adjustment model

is X-13 ARIMA using JDemetra+ version 2.1.0., where three common outliers (i.e. regressors) have been detected in seasonal adjustment procedure – additive outlier (AO), level shift (LS) and temporary change (TC). There is also an additional variable defined in the form of a ramp reflecting the impact of the global economic crisis. The original data are comparable to the annual data, while the seasonal adjusted data are not comparable to the annual data.

3. Timeliness and Punctuality

3.1. Timeliness

3.1.1 Time lag – first results

Time lag – first results is: T+2 months.

3.1.2 Time lag – final results

Time lag – final results is: T+21 months.

3.2. Punctuality

3.2.1 Punctuality – delivery and publication

Delivery and publication is: 1.

4. Accessibility and clarity

The Croatian Bureau of Statistics always publishes First Releases after the new calculation is done. First Releases are available on the website and in a limited number of hard copies.

In addition to First Releases, national accounts data are disseminated in Statistical Yearbook, Statistical Information, Croatia in Figures and Statistics in Line.

The regularly updated data versions can be found in the MS Excel form using the link below:
<https://www.dzs.hr/Eng/Publication/StatisticsInLine.htm>.

4.1. News release

First Release 12. 1. 4. Annual Gross Domestic Product, 2015 (ESA 2010) of 24 May 2017
ANNUAL GROSS DOMESTIC PRODUCT FOR 2015 (ESA 2010)

4.2. Other publications

Statistical Yearbook of the Republic of Croatia, Statistical Information, Statistics in Figures

4.3. On-line database

STATISTICS IN LINE 12.1. GROSS DOMESTIC PRODUCT

4.4. Micro-data access

The conditions under which certain users can have access to microdata are regulated by the Ordinance on the Conditions and Manner of Using Confidential Statistical Data for Scientific Purposes.

4.5. Documentation on methodology

The general methodological framework for the compilation of national accounts in the EU is ESA 2010.

In addition, several handbooks have been developed to help compilers to produce national accounts data. Some of the most important methodological manuals are the Handbook on Quarterly National Accounts, the Manual on Regional Accounts Methods, the Eurostat Manual of Supply, Use and Input-Output Tables, the Manual on Government Deficit and Debt. Furthermore, guidance manuals on specific topics are available, e.g. Compilation Guide on Land Estimation, Compilation Guide on Inventories, Manual on Measuring Research and Development in ESA 2010.

The manuals above specifically apply to EU national accounts statistics. However, international equivalents are also available: SNA 2008, Quarterly National Accounts Manual, Handbook on Input-Output Table Compilation and Analysis, Government Finance Statistics Manual.

The national accounts documentation of the Croatian Bureau of Statistics on sources and methods is available for the following:

- Croatian Quarterly National Accounts Inventory
- Excessive Deficit Procedures Inventory

5. Comparability

5.1. Asymmetry for mirror flows statistics

Mirror statistics between countries is the subject of Eurostat examinations. Over time, this issue has become increasingly important.

5.2. Comparability over time

5.2.1 Length of comparable time series

The length of comparable time series is: 20.

5.2.2 Reasons for time break series

Not applicable.

6. Coherence

6.1. Coherence – short-term and structural data

The indicator for this survey is not applicable.

6.2. Coherence – national accounts

The indicator for this survey is not computed.

6.3. Coherence – administrative sources

The indicator for this survey is not computed.

7. Cost and burden

7.1. Cost

Not available.

7.2. Burden

Not available.