

The Gross Domestic Product (GDP) regular revision in 2010

On 8 September Statistics Estonia released the revised 2006–2009 national accounts data based on the regular revision:

1. National accounts of 2006 were revised according to the Supply and Use Tables. As 2006 is the base year for 2007, data of 2007 were revised as well.
2. National accounts of 2008 were revised according to the Structural Business Survey (SBS, in Estonian EKOMAR). As 2008 is the base year for 2009, data of 2009 were revised as well.
3. Due to the revision of 2009, the GDP calculations of the 2nd quarter of 2010 released in June this year were revised as well, in turn.

Above all, the revision of the GDP calculated by the production approach was influenced by the following corrections in the non-financial corporations sector:

- Increase of the value added in the manufacturing, construction and real estate, renting and business activities and decrease of the value added in the wholesale and retail trade in 2006;
- Increase of the value added in the construction and real estate, renting and business activities in 2007;
- Increase of the value added in the construction and real estate, renting and business activities and decrease of the value added in the manufacturing and wholesale and retail trade in 2008;
- Increase of the value added in the transport, storage and communications and decrease of the value added in the wholesale and retail trade in 2009;

Whereas the revision of 2006–2007 accrued from the corrections based on the Supply and Use Tables, the increase of the value added of the financial sector in 2008 followed mainly from the correction of the calculations of the financial intermediation serviced indirectly measured (FISIM). The decrease of the value added of the households' sector in 2008 mainly resulted from the correction of the value added of the agriculture and retail trade activities in the sector.

In the GDP calculations by expenditure approach 2006–2009 exports and imports were revised besides the correction of the components of the domestic demand. Due to the methodological reasons transactions related to the processing of oil products were removed from the exports and imports of goods in national accounts since the blending of oil products is not considered as production in industry statistics in this case. In addition transfer of conveyance has not been recorded between the resident and non-resident. According to the EU methodology in force exports and imports are reflected according to the declarations in the foreign trade statistics. In this case imports of the refined oil products (fuels) were declared as mainly for inward processing or as normal imports and the respective exports as re-exports after inward processing. During the inward processing the quality of the fuel was changed by adding specific components. According to the methodology of industry statistics the referred processing (blending) is not considered as production. Only the GDP calculations have been revised while the foreign trade statistics and balance of payments have not been changed due to this revision.

Impact of the revision released in 2010 on the GDP

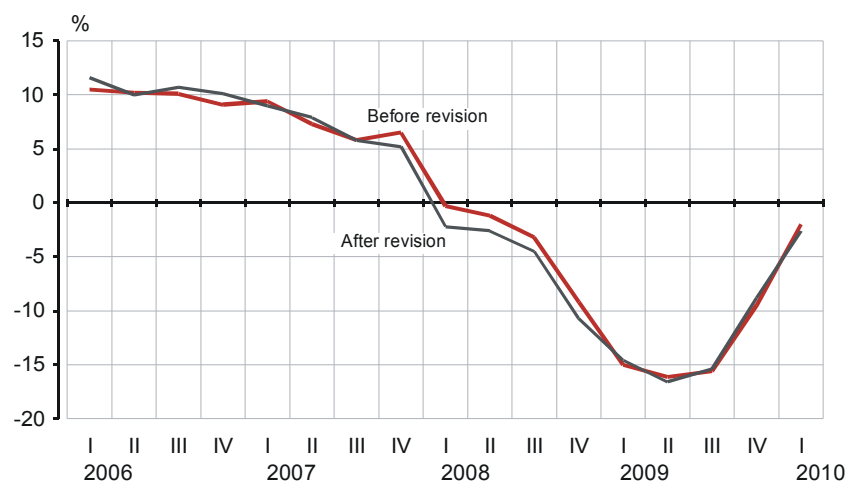
Ensuing from the regular revision made in 2010 the annual GDP at current prices increased from 0.2% to 1.3% in 2006–2009 (see Table 1). The annual GDP growth according to chain-linking method changed from -1.5 to +0.6 percentage points and the quarterly GDP real growth changed in the same period from -1.8 to +1.1 percentage points (see Table 2 and Figure 1).

Table 1. GDP at current prices before and after revision (as of 8 September 2010)

Year	Before revision		After revision		Difference, %
	billion kroons	billion euros	billion kroons	billion euros	
2009	214.8	13.7	216.9	13.9	+1.0
2008	251.5	16.1	252.0	16.1	+0.2
2007	244.5	15.6	247.6	15.8	+1.3
2006	207.0	13.2	209.5	13.4	+1.2

Table 2. The difference of the revised GDP growth (compared to the same quarter of the previous year) with the growth rate published before, 1st quarter 2006—1st quarter 2010, percentage points

Quarters/Year	2006	2007	2008	2009	2010
I	1.1	-0.4	-1.8	0.4	-0.6
II	-0.2	0.6	-1.4	-0.5	
III	0.6	0.0	-1.3	0.2	
IV	1.0	-1.3	-1.5	0.7	
Annual	0.6	-0.3	-1.5	0.2	

Figure 1. GDP real growth before and after revision, 1st quarter 2006 – 1st quarter 2010

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