

REVISION OF THE GROSS DOMESTIC PRODUCT IN 2017

On 31 August 2017, Statistics Estonia published a national accounts time series revised for 2013–2016 as part of the regular revision.

As part of the annual revision, the national accounts for 2013 were revised according to supply and use tables (SUT), and the accounts for 2015 were revised according to the annual surveys of Statistics Estonia. The most important of these is the Structural Business Survey (SBS, or EKOMAR in Estonian). As a result of these revisions, the gross domestic product (GDP) for 2013 increased by 0.2% and the GDP for 2015 by 0.5%. Due to the revisions made based on the above-mentioned data sources, the 2014 and 2016 calculations had to be reviewed as well. The chain-linked values of GDP for these years increased by 0.6% and 1.3%, respectively. As 2016 is the base year for the calculation of the 2017 accounts, the GDP estimates for the 1st quarter of 2017 released in May of this year were also revised.

Ensuing from regular revision, the annual GDP at current prices changed by 0.0% to 0.9% in the period 2013–2016 (Table 1).

Table 1. GDP at current prices before and after revision, 2013–2016

	Before revision, million euros	After revision, million euros	Difference, %
2013	18,890.1	18,932.3	0.2
2014	19,758.3	19,766.3	0.0
2015	20,251.7	20,347.7	0.5
2016	20,916.4	21,098.3	0.9

During the same period, the annual real GDP growth changed by 0.1 to 0.5 percentage points (Figure 1) and the quarterly growth by 0.0 to 0.8 percentage points (Table 2).

Figure 1. Real GDP growth compared to the corresponding period of the previous year, before and after revision, 2010–2016

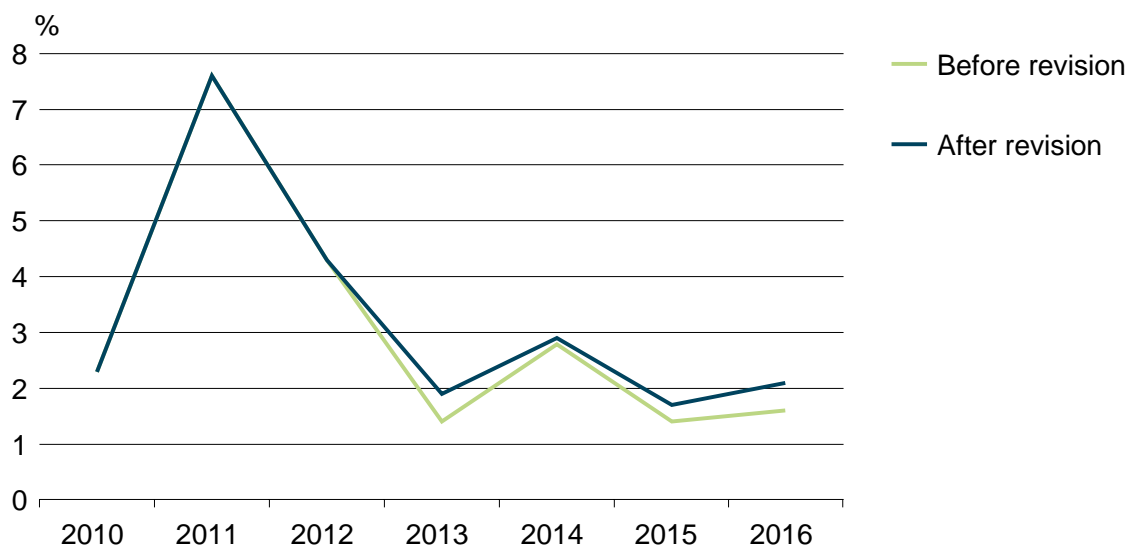


Table 2. Revised real GDP growth rate compared to the same quarter of the previous year and difference from the previously published growth rate, 1st quarter 2013 – 1st quarter 2017

	2013		2014		2015		2016		2017	
	Growth, %	Difference, pp	Growth, %	Difference, pp	Growth, %	Difference, pp	Growth, %	Difference, pp	Growth, %	Difference, pp
1st quarter	3.1	0.5	1.8	0.0	1.5	0.2	2.2	0.7	4.6	0.2
2nd quarter	1.0	0.7	3.0	0.0	2.3	0.4	0.9	0.2
3rd quarter	1.6	0.8	2.5	0.1	2.1	0.3	2.0	0.7
4th quarter	2.1	0.1	4.1	0.2	0.9	0.0	3.1	0.4
Annual	1.9	0.5	2.9	0.1	1.7	0.2	2.1	0.5

2013 estimates

Supply and use tables (SUT) is a framework of tables where supply and demand are balanced. As a result of compiling these tables, the value added of the total economy in 2013 increased 0.2% compared to the previously published estimate.

The GDP change was affected the most by a 5.6% fall in the value added of information and communication and a 2.4% increase in the value added of real estate activities. However, domestic demand decreased. Among the components of the GDP compiled by the expenditure method, changes in inventories had the most significant revision, decreasing by 251.8 million euros compared to the initially published estimates. Final consumption expenditures were not revised significantly, while investments increased by 1% as a result of thorough checking of data.

Table 3. Impact of balancing of SUT on GDP components, 2013

Sector	Impact on component, million euros	Impact on component, %
Non-financial corporations	37.4	0.3
Financial corporations	1.8	0.3
General government	2.6	0.1
Households	-0.5	0.0
NPISH	-0.4	-0.3
Value added, total	40.9	0.2
Net taxes on products	1.3	0.1
GDP	42.2	0.2
Household final consumption expenditure	-4.7	0.0
General government final consumption expenditure	-3.0	-0.1
NPISH final consumption expenditure	-0.4	-0.1
Gross fixed capital formation and valuables	13.1	0.3
Changes of inventories	-12.3	-2.3
Domestic demand	-7.4	0.0
Exports of goods and services	-89.3	-0.5
Imports of goods and services	-163.1	-1.0
Statistical discrepancy	81.4	..

2014 estimates

As 2013 is the base year for the calculation of the 2014 accounts, the accounts for 2014 were also revised. As a result of the changes, the value added of the total economy increased by 8.1 million euros (0.0%) and domestic demand decreased by 7.4 million euros (0.0%).

Table 4. Impact of regular revision on GDP components, 2014

Sector	Impact on component, million euros	Impact on component, %
Non-financial corporations	44.7	0.4
Financial corporations	-34.0	-5.1
General government	-3.0	-0.1
Households	0.7	0.1
NPISH	-0.4	-0.3
Value added, total	8.1	0.0
Net taxes on products	0.0	0.0
GDP	8.1	0.0
Household final consumption expenditure	-4.7	0.0
General government final consumption expenditure	-3.0	-0.1
NPISH final consumption expenditure	-0.4	-0.1
Gross fixed capital formation and valuables	13.1	0.3
Changes of inventories	-12.3	-2.3
Domestic demand	-7.4	0.0
Exports of goods and services	-89.3	-0.5
Imports of goods and services	47.1	0.3
Statistical discrepancy	151.8	..

2015 estimates

In the calculations of the 2015 estimates, the initial data from the quarterly data sources used so far was exchanged for the information received from the annual questionnaires. The most important ones are the SBS; annual economic indicators of agricultural, forestry and fishing enterprises; research and development activities in enterprises; research and development activities; financial intermediation and auxiliary services survey; insurance; energy; industrial production statistics; and non-profit institutions. In addition, annual reports of enterprises in the Business Register and information from the Tax and Customs Board were used.

The introduction of the above listed data sources led to an increase in domestic demand at current prices by 0.2% due to increase in investments, in changes in inventories and in general government final consumption expenditure. According to the quarterly data sources, the preliminary increase of domestic demand at real prices in 2015 was 0.7%, but according to the annual data, the change was 1.0%.

The value added of the total economy increased by 0.6% mainly due to higher value added in the non-financial sector.

Table 5. Impact of regular revision on GDP components, 2015

Sector	Impact on component, million euros	Impact on component, %
Non-financial corporations	128.3	1.1
Financial corporations	0.9	0.1
General government	15.9	0.5
Households	-31.5	-2.1
NPISH	0.0	0.0
Value added, total	113.7	0.6
Net taxes on products	-17.6	-0.6
GDP	96.0	0.5
Household final consumption expenditure	-34.7	-0.3
General government final consumption expenditure	15.9	0.4
NPISH final consumption expenditure	-3.7	-1.1
Gross fixed capital formation and valuables	17.3	0.4
Changes of inventories	46.3	21.0
Domestic demand	41.0	0.2
Exports of goods and services	-62.1	-0.4
Imports of goods and services	-36.4	-0.2
Statistical discrepancy	80.7	..

2016 estimates

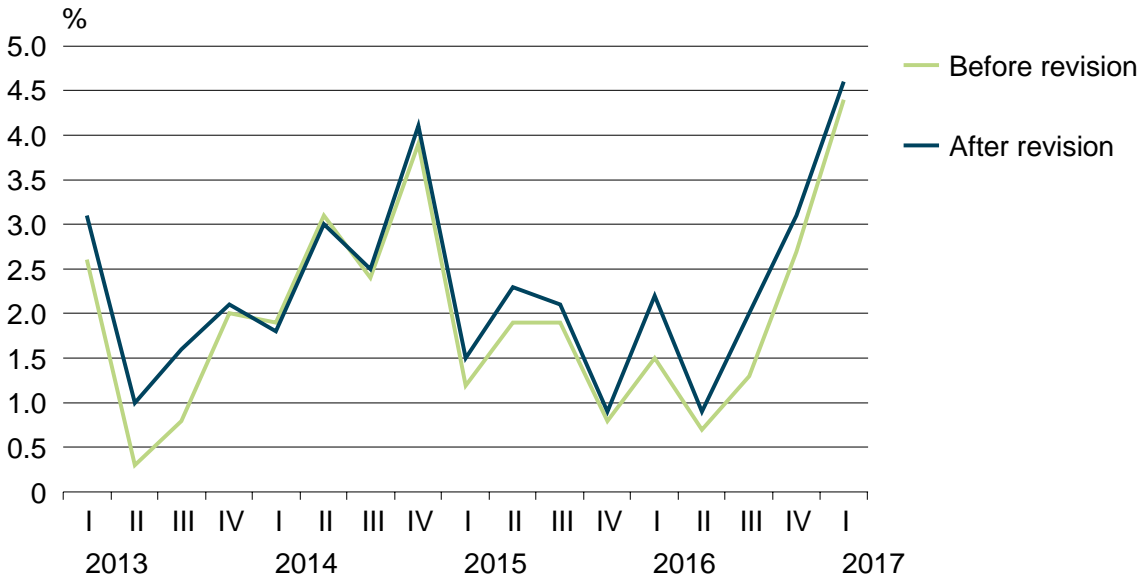
2015 is the base year for the calculation of the 2016 accounts. Since for the calculation of the year 2015 annual data sources were introduced instead of quarterly data, the numbers for 2016 also changed. As a result of this revision, annual change in real GDP increased by 0.5 percentage points. Although the value added of agriculture, forestry and fishing, and information and communication activities decreased significantly in 2016 due to changes made to 2015 estimates, the changes of value added generated by transport, real estate activities and professional, scientific and technical activities increased the GDP. In addition to the GDP, domestic demand also increased, mainly due to increased investments and general government final consumption expenditure.

Table 6. Impact of regular revision on GDP components, 2016

Sector	Impact on component, million euros	Impact on component, %
Non-financial corporations	166.3	1.3
Financial corporations	-11.5	-1.6
General government	36.9	1.2
Households	-11.0	-0.7
NPISH	0.8	0.4
Value added, total	181.5	1.0
Net taxes on products	0.4	0.0
GDP	181.9	0.9
Household final consumption expenditure	-15.0	-0.1
General government final consumption expenditure	55.7	1.3
NPISH final consumption expenditure	-1.4	-0.4
Gross fixed capital formation and valuables	108.2	2.3
Changes of inventories	14.9	3.8
Domestic demand	162.4	0.8
Exports of goods and services	-38.7	-0.2
Imports of goods and services	-31.3	-0.2
Statistical discrepancy	26.8 ..	

Figure 2 shows real GDP growth rate before and after revisions made in 2017.

Figure 2. Real GDP growth rate compared to the corresponding period of the previous year, before and after revision, 1st quarter 2013 – 1st quarter 2017



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