

National accounts

0. Prerequisites

0.1 Legal environment

[0.1.1 Responsibility for collecting, processing, and disseminating statistics](#)

National Statistics Office of Georgia

According to article 7 of the "Georgian Law on Official Statistics" (*Law*), the National Statistics Office of Georgia (NSO) is responsible for the collection, processing and dissemination of statistical data.

According to the Law, other state and local self-governed bodies legal entities of public law and other administrative bodies may perform activities in the field of official statistics in accordance with international standards and methodologies.

The NSO ensures the coordination of works in the field of official statistics, issues recommendations on statistical standards and methodologies, performs the exchange of statistical information between administrative bodies and supports the implementation of approved standards and methodologies.

[0.1.2 Data sharing and coordination among data producing agencies](#)

National accounts

NSO uses in its work (for compiling National Accounts) statistical data of the Ministry of Finance of Georgia, National Bank of Georgia and Insurance State Supervision Service of Georgia.

[0.1.3 Confidentiality of individual reporters' data](#)

National Statistics Office of Georgia

According to the *Law*, article 28 "Statistical Data Confidentiality":

Data acquired for statistical purposes are confidential, if they enable to identify respondent.

The dissemination of confidential statistical data or their use for non-statistical purposes is prohibited unless the cases stated by the Georgian legislation.

[0.1.4 Ensuring statistical reporting](#)

National Statistics Office of Georgia

According to the *Law*, article 25 "Obligation to Provide Statistical and Other Information":

With the view of fulfilling its functions the Geostat shall be authorized to request and receive from administrative bodies, physical and legal persons all kinds of statistical data and other information, including confidential information and/or information containing personal data, in line with the "Law on Personal Data Protection".

Administrative bodies shall be obliged to provide available information on physical persons and legal entities of private law to Geostat, including confidential information

and/or information containing personal data in line with the “Law on Personal Data Protection”.

In case of failure to provide information to Geostat required under the statistical activities program approved by the Government of Georgia, legal entities registered in the Register of entrepreneurial and non-commercial legal entities shall be liable to proceedings stipulated in the Code of Administrative Offices of Georgia.

0.2 Resources

[0.2.1 Staff, facilities, computing resources, and financing](#)

National accounts

National Accounts department staff includes 12 employees (head of department, 2 heads of divisions, 3 chief specialist, 4 senior specialists and 2 specialists); 12 Personal Computers, 1 Laptop, 1 printer, 2 all-in-one printer.

[0.2.2 Ensuring efficient use of resources](#)

National Statistics Office of Georgia

In order to ensure the efficient use of resources the following measures are undertaken:

The thorough planning of statistical works (on multi-annual, annual and quarterly basis) that ensure the production and dissemination of reliable and relevant statistical information;

The permanent monitoring of the appropriate use of resources according their destination.

Special attention is granted to the improvement of the staff performances, especially its qualification and abilities.

National accounts

The criterion of efficiency is used when the national accounts unit tasks are carried out.

0.3 Relevance

[0.3.1 Monitoring user requirements](#)

National Statistics Office of Georgia

In order to assure the production and dissemination of relevant statistics in the process of elaboration of draft annual program of statistical works, the interested public and other institutions are consulted.

National accounts

Comments of the bodies of state administration are taken into account when the forms of state statistical observations and directions for their completing are revised.

0.4 Quality management

[0.4.1 Quality policy](#)

National Statistics Office of Georgia

Quality awareness is evidenced by references to quality in the *Law* according to which the production of statistical information is based on the principles of impartiality, statistical deontology.

0.4.2 Quality monitoring

National Statistics Office of Georgia

A range of measures to ensure the high quality of works at each stage of information flow are undertaken.

The primary and processed data are carefully checked for their internal, temporal consistency, as well as cross-checked with available data from other statistical and administrative sources of information.

In order to ensure the high quality of primary data, meetings with data providers are frequently held.

Quality policy is based on the provisions of national and EU legislation, Strategy of NSO, European Statistics Code of Practice, user needs and expectations. It defines overall intentions and directions of institution related to quality.

National accounts

The quality of the national accounts outputs can be measured by means of their accuracy which is shown in the size of differences between original and revised outputs (when an impact of methodological changes is excluded).

Comprehensive project management methodology is followed prior to launching new surveys including quality considerations.

0.4.3 Quality planning

National Statistics Office of Georgia

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National accounts

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1. Integrity

1.1 Professionalism

1.1.1 Impartiality of statistics

National Statistics Office of Georgia

According to the *Law*, article 4 reduction and dissemination of statistics

shall be based on the fundamental principles of official statistics.

The NSO is concerned to honor its independence and objectivity by the *Law* and regulation pursuing the objectivity of tools used, such as survey methods, statistical classifications, definitions of indicators, etc., as well as the objectivity of releasing and providing statistical data and information.

[1.1.2 Selection of sources, methodology, and modes of dissemination](#)

National Statistics Office of Georgia

Bodies of the NSO and other statistical establishments shall obtain statistical information by means of statistical observations (current statistical reports and specially arranged statistical observations).

Objects of statistical observations shall be resident as well as non-resident enterprises operating on the territory of Georgia within the observation program limits.

A type of the statistical observation, a circle of the observation objects, the regularity, the form and term of data presentation are defined in accordance with the observation objectives and shall, together with appropriate methodological institutions, be approved by the NSO.

Producing the statistics and disseminating the information derived as a result of producing the statistics shall be in compliance with the international standards and practice.

National accounts

All type of sources are used (Business Statistics Department, Social Statistics Department, Population Census and Demographic Statistics Department, Price Statistics Department, National Bank of Georgia, Ministry of Finance), which corresponds to SNA 93 (main methodology).

The modes of dissemination (electronic, CD, DVD, publications, etc.) depend on the demand of the users.

[1.1.3 Commenting on erroneous interpretation and misuse of statistics](#)

National Statistics Office of Georgia

The NSO has full authority to comment on erroneous interpretation and misuse of statistics. This rarely occurs due to the provision of press briefings/conferences where NSO staff can provide information on methodologies, interpretation of statistics and respond to general questions.

1.2 Transparency

[1.2.1 Disclosure of terms and conditions for statistical collection, processing, and dissemination](#)

National Statistics Office of Georgia

Disclosure of terms and conditions for statistical collection, processing and dissemination is guaranteed by the state statistical program each year adopted by the president of Georgia. In state statistical program each data produced by the NSO has its short description, periodicity and timelines.

The law on statistics is publicly available on NSO's website www.geostat.ge (in English on web page http://geostat.ge/cms/site_images/latest%20Law%20of%20Georgi_2018.pdf), also on the web of the Legislative Herald of Georgia: <https://matsne.gov.ge/en/document/view/90946?publication=11>

[1.2.2 Internal governmental access to statistics prior to release](#)

National Statistics Office of Georgia

There are no privileges for access to statistical data in Georgia. Statistical data are equally available to all users from the web: www.geostat.ge, also from publications of the NSO.

[1.2.3 Attribution of statistical products](#)

National Statistics Office of Georgia

There is no ministerial comment on the occasion of statistical releases.

[1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques.](#)

National Statistics Office of Georgia

Methodology (for data collection, processing and analysis) and questionnaires of the NSO are adopted by the Statistical Board of the NSO which consists of 8 members (including its Chairman – an Executive Director of the NSO).

For any changes in methodology, data source or questionnaire content or its design there is a need of changes in the resolution of the Statistical Board.

1.3 Ethical standards

[1.3.1 Guidelines for staff behavior](#)

National Statistics Office of Georgia

The internal regulations of the NSO define the staff behavior.

2. Methodology

2.1 Concepts and definitions

[2.1.1 Concepts and definitions](#)

Analytical framework: Basics of Georgian National Accounts is the System of National Accounts 1993 (SNA93).

Definitions: Gross Domestic Product (GDP) measures the total value of final goods and services produced by domestic institutional units during the period of time. The data are compiled by the production approach at both current and constant (2010) prices; by the expenditure approach at both current and constant (2010 prices) and by the income approach at current prices.

GDP at market prices from the production side is defined as the sum of gross values added of resident producers at basic prices plus taxes not included in the value of their outputs and excluding subsidies on products. From the expenditure side, GDP is defined as the total final expenditure plus gross capital formation plus net export. The GDP from the income approach is the sum of compensation of employees, gross operating surplus or mixed income and taxes linked to production and imports less subsidies.

Gross National Income (GNI) is a sum of primary incomes earned by factors of production.

Disposable Income is the **amount of income** left to an **individual after taxes** have been **paid**, available for spending and **saving**.

Gross saving is a part of Disposable Income, which has not been spent on final consumption.

Net lending/net borrowing corresponds to the amount available to a unit or sector for financing, directly or indirectly, other units or sectors, or the amount which a unit or sector is obliged to borrow from other units or sectors.

2.2 Scope

2.2.1 Scope

Scope of the data

National Accounts cover the whole territory of Georgia (see also exceptions to coverage 2.2.1.2) and all kinds of economic activities.

Accounts are compiled using results of regular statistical surveys and special surveys.

Exceptions to coverage

The National Accounts do not include territorial enclaves of other countries (embassies, military bases, etc.) or international organizations, although they do include enclaves of our country on the territory of other countries.

Geographical coverage: Data do not cover the territories of Abkhazian Autonomous Republic and Tskhinvali Region (former South Ossetian Autonomous Region) – a part of Georgian territory not controlled by the central authorities.

Unrecorded activity

The non-observed economy is estimated using special sample surveys.

2.3

Classification/sectorization

2.3.1 Classification/sectorization

National Accounts are currently published using the Georgian national classification of economic activities (GNC 001-2004). It was created on the base of Statistical Classification of Economic Activities in the European Community (NACE rev 1.1).

The national classification of products (CPA 002-99) used in Georgian National Accounts for compiling the resources and uses tables. It corresponds to Classification of Products by Activity in the European Community (CPA).

Individual consumption expenditure of households is classified according to the Classification of Individual Consumption by Purpose (COICOP).

Commodity Nomenclature for External Economic Activities based on the Harmonized Commodity Coding and Description System (HS), Classification by Broad Economic Categories and Classification the Functions of the Functions of Government are used for compilation National Accounts.

2.4 Basis for recording

2.4.1 Valuation

Output and gross value added are estimated at basic prices; intermediate consumption and gross fixed capital formation at purchasers' prices; inventories at basic prices; imputed dwelling services and non-market services at cost and household expenditure at purchasers' prices; imports and exports of goods and services are valued at FOB; foreign trade transactions in foreign currency are converted to the domestic currency using the official exchange rate of the National Bank of Georgia prevailing at the moment when the transactions take place.

2.4.2 Recording basis

Transactions are generally recorded on an accrual basis.

2.4.3 Grossing/netting procedures

Computing procedures on a gross/net basis correspond to SNA 1993. Value-added data are compiled and published on a gross basis.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data collection programs

Production approach: The estimates are based on results of regular (monthly, quarterly, annual) or special surveys conducted by NSO and administrative sources. business surveys. The following data sources are used for compiling GDP by production approach: Statistical survey of enterprises (quarterly and annual), Survey of non-profit organizations, Sample survey of agricultural holdings, Price statistics (CPI, PPI, Import

price index, Price index for freight transport), Government Finance Statistics, Data of Insurance Supervision Service of Georgia, Data on financial sector providedd by the National Bank of Georgia

Expenditure approach: The estimates for final consumption categories are based on the data from Household surveys for households final consumption expenditures and the data from Ministry of Finance on government current operating expenditures.

Capital formation and inventory changes are based on statistical survey of enterprises, data on external trade are used from Balance of Payments.

Income approach: The data for the estimates are derived from: the Labour Force Survey, administrative data on taxes and subsidies from the Ministry of Finance, from quarterly and annual statistical survey. of enterprises.

[3.1.2 Source data definitions, scope, classifications, valuation, and time of recording](#)

Source data are in conformity with definitions, scope of statistical coverage and classifications in national accounts statistics. Annual and quarterly data on National Accounts are compiled based on the source data for the reference period.

[3.1.3 Source data timeliness](#)

Source data are timely for compiling National Accounts.

The timeliness for data of Quarterly Business Survey and Households survey is 65th day after the end of the quarter, for data from the Ministry of Finance – 60th day and for data from National Bank of Georgia – 30th day after the end of reference period.

3.2 Assessment of source data

[3.2.1 Source data assessment](#)

Routine assessment of source data is provided primarily by branch departments of the NSO. When the national accounts department as the user of those data is doubtful about some inputs they refer to branch departments.

3.3 Statistical techniques

[3.3.1 Source data statistical techniques](#)

Comparative analysis of Business Statistics with Labour Force Survey is used in order to verify completeness of data. In different types of activities/works specific periodical analysis is used to evaluate unaccounted non-observed economy, results of which are used to make necessary corrections in the future.

[3.3.2 Other statistical procedures](#)

Reconciliation: GDP estimates obtained in accordance with the production approach are usually considered more reliable than estimates made

according to the expenditure approach. GDP estimates obtained in accordance with the production and expenditure approaches are reconciled by adjusting changes in inventories or household consumption.

Regular seasonally adjusted data have been calculated with the help of the Tramo/Seats method (Demetra 2.0).

3.4 Data validation

3.4.1 Validation of intermediate results

Business Statistics Department monitors quality of primary data from enterprises. In case of any mistake, corrections are made in the data base and in the national accounts data consequently.

3.4.2 Assessment of intermediate data

The data received from different sources are compared with each other, discrepancies are identified and taken into account in the National Accounts compilation process. Logical analysis and automatic error identification methods are used for the intermediate data analysis.

3.4.3 Assessment of discrepancies and other problems in statistical outputs

By using techniques mentioned in 3.3.1 we conform the differences between initial and intermediate data.

3.5 Revision studies

3.5.1 Revision studies and analyses

Data are revised usually once a year on the basis of outcomes of annual structural statistical studies in case when new more trustworthy data are received from new information source or a survey. In this case general correction of timelines is carried out by using *Benchmarking*.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity

GDP data are computed quarterly.

4.1.2 Timeliness

NSO publishes the quarterly GDP estimates on the 80th day after the end of the quarter.

4.2 Consistency

4.2.1 Internal consistency

The statistics are internally consistent in the sense that:

The statistical discrepancies between the estimates of production approach and the expenditure approach are minimal and stable over time.

GDP estimates at current prices, volume measures and deflators are consistent

within the “value = volume x price” framework.

All totals are the sum of the details (annual/quarterly, national/regional, sectoral/general), except for the problem of non-additivity due to chain-linking of price-adjusted data.

4.2.2 Temporal consistency

Currently, the year 2010 is a base year. The previous base year was 2003.

Data on quarterly national accounts are also available in the form of growth rates compared to the corresponding period of the previous year on the following

website: http://www.geostat.ge/index.php?action=page&p_id=119&lang=en

4.2.3 Intersectoral and cross-domain consistency

Data on the national accounts are cross-checked against data on the Balance of Payments, the report on budget execution and branch statistics.

4.3 Revision

4.3.1 Revision schedule

Annual and quarterly accounts are revised based on data of the annual structural statistical survey.

4.3.2 Identification of preliminary and/or revised data

When data are disseminated, it is indicated whether the data are preliminary or revised.

4.3.3 Dissemination of revision studies and analyses

The whole previous history of changes of growth indexes and current and constant price evaluation of national accounts, and its statistical analysis (average, minimum, maximum, etc.) is disseminated in hard copy form as well as electronically.

5. Accessibility

5.1 Data

5.1.1 Statistical presentation

National accounts data are compiled and disseminated by the NSO. The following accounts and balance sheets are compiled: the Production account, the generation of income account, the allocation of primary income account, the secondary distribution of income account, the use of income account, the capital account, the goods and services account, supply and use tables.

Main Macroeconomic Aggregates are calculated: Gross Domestic Product (GDP), Net Domestic Product, Gross National Income, Net National Income, Gross Disposable Income, Consumption of fixed Capital, Net

Saving, Net Lending(+)/Net Borrowing(-).

Compilation of accounts began from 1990. Quarterly data are available since the beginning of 1996.

5.1.2 Dissemination media and format

Hard copy - Quarterly bulletin

Quarterly Bulletin.

Hard copy - Other

Statistical Yearbook of Georgia

Electronic - On-line bulletin or data

National Accounts of Georgia, Statistical Yearbook of Georgia, Quarterly Bulletin are available at www.geostat.ge/index.php?action=wnews_archive&lang=eng

Data: http://www.geostat.ge/index.php?action=page&p_id=116&lang=eng

Electronic - Other

National accounts data are also available in electronic form on request.

5.1.3 Advance release calendar

An advance release calendar is available on the NSO website at http://www.geostat.ge/index.php?action=page&p_id=23&lang=eng.

5.1.4 Simultaneous release

All data are released simultaneously to the public through press releases and publications and on the website of NSSG <http://www.geostat.ge/>.

Copies of these publications are placed in the library of the NSO, which is open to the public, in the National Library of Georgia. At the same time they are sent to Ministries, other government bodies and non-governmental organizations, also to the embassies and other representations of foreign countries and international organizations in Georgia.

5.1.5 Dissemination on request

The following data are available upon request:

Labour Productivity (at current and constant 1996, 2003 and 2010 prices)

Capital Account (at current prices)

5.2 Metadata

5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques

A description of the methodology is included in the publications.

