

## Gross Domestic Product by Production Approach (Annual)

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3. Statistical presentation	
<b>3.1. Data description</b>	
<p>Methodological basis for the National Accounts of Georgia is a standard methodology – System of National Accounts 2008 (2008 SNA), recommended by the United Nations (UN), the Statistical Office of the European Union (Eurostat), the Organization for Economic Co-operation and Development (OECD), the World Bank and the International Monetary Fund (IMF).</p> <p>One of the most important economic indicators of national accounts is Gross Domestic Product (GDP). Gross Domestic Product by Production Approach represents total market value of all final goods and services produced in the economic territory of the country in the reporting period (usually in a year or quarter).</p>	
<b>3.2. Classification system</b>	
<ul style="list-style-type: none"> <li>• System of National Accounts 2008 (SNA2008);</li> <li>• Georgian National Classification of Economic Activities (GNC 006-2016), (based on NACE Rev. 2);</li> <li>• Statistical classification of products by economic activity – (CPA 2008);</li> <li>• Classification of individual consumption by purpose (COICOP);</li> <li>• Budget Classification of Georgia;</li> <li>• Classification of the functions of government (COFOG).</li> </ul>	
<b>3.3. Sector coverage</b>	
Total economy including all institutional sectors and types of economic activity.	
<b>3.4. Statistical concepts and definitions</b>	
<p><b>Gross Domestic Product (GDP)</b> is defined as a total market value of all final goods and services produced within the economic territory of the country in a given period of time.</p> <p><b>Gross Output</b> is a total market value of all goods and services produced within the country in a given period of time. Gross output is estimated in producers' prices – selling prices of produced goods and services excluding taxes on products.</p> <p><b>Intermediate Consumption</b> is defined as a value of goods and services used up in the process of production.</p> <p><b>Real Growth indices</b> show real growth of value added by types of economic activities compared to the previous year.</p> <p><b>GDP Deflator</b> is a measure of the change in prices of all domestically produced final goods and services in an economy. According to the international methodology, GDP should take into account non-observed economy as well. Non-observed economy by the types of economic activities covers output, income, consumption or other economic activities missed in statistical data sources. Direct surveys as well as indirect methods are used for estimating non-observed economy.</p>	
<b>3.5. Statistical unit</b>	
<ul style="list-style-type: none"> <li>• Enterprises;</li> <li>• Public Institutions;</li> <li>• Households.</li> </ul>	

<b>3.6. Statistical population</b>
Economic territory of the country.
<b>3.7. Reference area</b>
Georgia (Excluding occupied territories).
<b>3.8. Time coverage</b>
<ul style="list-style-type: none"> <li>• Data is available from 1996 year;</li> <li>• Dynamic series according to SNA 1993 methodology are available for 1996 – 2018 years;</li> <li>• Dynamic series according to SNA 2008 methodology are available from 2010 year.</li> </ul>
<b>3.9. Base period</b>
2015 year.
<b>4. Unit of measure</b>
Mil GEL; GEL; Mil USD; USD; %.
<b>5. Reference period</b>
Year.
<b>6. Institutional mandate</b>
<b>6.1. Legal acts and other agreements</b>
<p>The Law of Georgia on Official Statistics;  <a href="https://www.geostat.ge/media/20817/latest-Law-of-Georgia_2018.pdf">https://www.geostat.ge/media/20817/latest-Law-of-Georgia_2018.pdf</a></p> <p>Statistical Work Programme (annual);  <a href="https://www.geostat.ge/en/modules/categories/307/statistical-work-programme">https://www.geostat.ge/en/modules/categories/307/statistical-work-programme</a></p> <p>Charter of the National Statistics Office of Georgia.  <a href="https://www.geostat.ge/media/20845/10%2Csaqstatis-konsolidirebuli-debuleba.pdf">https://www.geostat.ge/media/20845/10%2Csaqstatis-konsolidirebuli-debuleba.pdf</a></p>
<b>6.2. Data sharing</b>
Memorandums with the Revenue Service of the Ministry of Finance of Georgia and the National Bank of Georgia.
<b>7. Confidentiality</b>
<b>7.1. Confidentiality – policy</b>
<ol style="list-style-type: none"> <li>1. The Law of Georgia on Official Statistics: <ul style="list-style-type: none"> <li>• According to the article 4 of the law individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.</li> <li>• According to the article 28 (Observing Confidentiality of Statistical Data) of the law 1. The data collected for the purpose of producing official statistics shall be confidential if it allows for identification of observation unit or it is possible to identify such data through it. 2. The confidential statistical data shall not be issued or disseminated or used for a non-statistical purpose but for the exceptions envisaged by the Georgian legislation. 3. When producing the official statistics, it is obligatory to destroy or store separately the identity data including the questionnaires containing such data and used for statistical surveys according to the rules defined in the Georgian legislation.</li> <li>• According to the article 29 (The Obligations and Responsibilities of the Employees of the Geostat) of the law the confidential statistical data collected and processed for the purpose of statistical survey shall not be used or disseminated by the employees of the units of the Geostat.  <a href="https://www.geostat.ge/media/20817/latest-Law-of-Georgia_2018.pdf">https://www.geostat.ge/media/20817/latest-Law-of-Georgia_2018.pdf</a></li> </ul> </li> <li>2. Data Confidentiality Policy at Geostat  <a href="https://www.geostat.ge/media/20860/Data-Confidentiality-Policy-at-Geostat_En.pdf">https://www.geostat.ge/media/20860/Data-Confidentiality-Policy-at-Geostat_En.pdf</a></li> <li>3. Public Use Microdata Dissemination Policy at Geostat  <a href="https://www.geostat.ge/media/20862/Microdata-Dissemination-Policy_Eng.pdf">https://www.geostat.ge/media/20862/Microdata-Dissemination-Policy_Eng.pdf</a></li> <li>4. The Law of Georgia on Personal Data Protection  <a href="https://matsne.gov.ge/en/document/view/1561437?publication=9">https://matsne.gov.ge/en/document/view/1561437?publication=9</a></li> </ol>
<b>7.2. Confidentiality – data treatment</b>
<ul style="list-style-type: none"> <li>• Confidentiality guidelines.</li> </ul>

•Written undertakings by an employee of Geostat on ensuring confidentiality of gained/collected data as a result of official duties.

<b>8. Release policy</b>
<b>8.1. Release calendar</b>
Data dissemination dates are defined by the calendar developed on the basis of the Statistical Work Programme, which is published on the website of Geostat and is publicly available.
<b>8.2. Release calendar access</b>
<a href="https://www.geostat.ge/en/calendar">https://www.geostat.ge/en/calendar</a>
<b>8.3. User access</b>
All users have the equal access to the statistical data simultaneously.

<b>9. Frequency of dissemination</b>
Annually.

<b>10. Accessibility and clarity</b>
<b>10.1. News release</b>
Press-Release about Annual Gross Domestic Product: <a href="https://www.geostat.ge/en/news?year=&amp;month=&amp;category=3">https://www.geostat.ge/en/news?year=&amp;month=&amp;category=3</a>
<b>10.2. Publications</b>
Statistical publication „National Accounts of Georgia“ on Georgian and English languages is available on the following link: <a href="https://www.geostat.ge/en/single-categories/113/gross-domestic-product-of-georgia">https://www.geostat.ge/en/single-categories/113/gross-domestic-product-of-georgia</a>
<b>10.3. On-line database</b>
Data in „MS. Excel“ files is available on the Geostat official website in the section on „National Accounts“ in the „Gross Domestic Product (GDP)“ tab: <a href="https://www.geostat.ge/en/modules/categories/23/gross-domestic-product-gdp">https://www.geostat.ge/en/modules/categories/23/gross-domestic-product-gdp</a> The data is available as a „PC-Axis“ database on the Geostat official website in „PC-Axis“ part: <a href="http://pc-axis.geostat.ge/PXweb/pxweb/en/Database/?rxid=3f8fbd0e-10ef-4f63-bb9b-de1b1218c5ac">http://pc-axis.geostat.ge/PXweb/pxweb/en/Database/?rxid=3f8fbd0e-10ef-4f63-bb9b-de1b1218c5ac</a>
<b>10.4. Micro-data access</b>
Not available.
<b>10.5. Other</b>
National Accounts Portal: <a href="http://sna.geostat.ge/en/3/GDP">http://sna.geostat.ge/en/3/GDP</a>
<b>10.6. Documentation on methodology</b>
Documentation on methodology is available on the website of Geostat: <a href="https://www.geostat.ge/en/modules/categories/119/national-accounts">https://www.geostat.ge/en/modules/categories/119/national-accounts</a>
<b>10.7. Quality documentation</b>
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<b>11. Quality management</b>
<b>11.1. Quality assurance</b>
To ensure the quality of the statistical processes and products Geostat follows Article 4 – Basic principles of official statistics – of the Law of Georgia on Official Statistics, as well as the European Statistics Code of Practice, the UN Fundamental Principles of Official Statistics and Quality Assurance Framework of the European Statistical System (QAF).
<b>11.2. Quality assessment</b>
Methodology and Quality Management Division of Geostat, along with the sectoral departments, is responsible for the quality of the produced statistical products and processes. The Division carries out quality audit of statistical processes and assesses the risks for the quality of statistical processes and products. Geostat has developed policy documents, guidelines and standard routine descriptions. These documents ensure the standardization of statistical processes and products and the establishment of a unified quality assurance system.

<b>12. Relevance</b>
<b>12.1. User needs</b>
Main user groups are government agencies, researchers, educational institutions, international organizations and other users interested in economic development trends of Georgia, economic policy development and forecasting issues.
<b>12.2. User satisfaction</b>
In 2021 user satisfaction survey was conducted, the target of the survey was to analyze the assessment of quality of statistical data by users and explore ways to improve user services. The survey report is available on the website of Geostat (in Georgian): <a href="https://www.geostat.ge/ka/page/customer-service">https://www.geostat.ge/ka/page/customer-service</a>
<b>12.3. Completeness</b>
Gross Domestic Product covers the output of observed as well as non-observed economy, using the methods in line with international standards.

<b>13. Accuracy and reliability</b>
<b>13.1. Overall accuracy</b>
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<b>13.2. Sampling error</b>
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<b>13.3. Non-sampling error</b>
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<b>14. Timeliness and punctuality</b>
<b>14.1. Timeliness</b>
<ul style="list-style-type: none"> <li>• Preliminary annual GDP data are published together with the 4th quarter data of reporting year on the 80th day after the end of the fourth quarter of the reporting year;</li> <li>• Revised annual GDP is published in the 11th month after the end of the reporting year (On November 15 of the year following the reporting year).</li> </ul> <p>The data will be disseminated on the nearest business day in case of information release date coincides with the day off.</p>
<b>14.2. Punctuality</b>
The data is published according to the date specified in the statistical work program. There has not been any violation of publication dates.

<b>15. Coherence and comparability</b>
<b>15.1. Comparability – geographical</b>
The data is collected and processed according to the same methodology and definitions at the country and regional level.
<b>15.2. Comparability – over time</b>
The data is collected and processed according to the same methodology and definitions over the period of consideration.
<b>15.3. Coherence – cross domain</b>
The following main statistical sources are used for compilation of national accounts: business statistics, short-term statistics and employment statistics. It should be noted that the definitions of the variables used in the sources often differ from the concepts of national accounts, for which additional adjustments are made to harmonize them with national accounts methodology.
<b>15.4. Coherence – internal</b>
The following data of the different periodicity and detail of national accounts are fully consistent with each other: Annual National Accounts, Quarterly National Accounts, Supply and Use Tables.

<b>16. Cost and burden</b>
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<b>17. Data revision</b>
<b>17.1. Data revision – policy</b>

Statistical data revision policy is available on the website of Geostat:  
[https://www.geostat.ge/media/44385/Revision-policy-and-error-correction\\_Geo.pdf](https://www.geostat.ge/media/44385/Revision-policy-and-error-correction_Geo.pdf)

## 17.2. Data revision – practice

Time series of statistical indicators need revision over time, caused by implementation of a new methodology or significant improvement in data sources. The results of a new survey may significantly differ from the results of the previous period, in this case, new data is preferable, but time series of previous periods need to be adjusted to ensure comparability. Currently GDP data revision is conducted by the following sequence:

- Preliminary annual GDP data are published on the 80th day after the end of the fourth quarter of the reporting year;
- Revised annual GDP data are published in the 11th month after the end of the reporting year (on November 15 of the year following the reporting year).

The data will be disseminated on the nearest business day in case of information release date coincides with the day off. Time series are updated along with the transition to the 2008 SNA.

Along with the transition to the 2008 SNA methodology, Geostat has introduced Statistical classification of economic activities (NACE Rev 2) in the National Accounts. Also, output calculation methodology of certain sectors was specified, which has caused necessity of updating the time series.

Updated time series according to 2008 SNA, were published in November 2019.

## 18. Statistical processing

### 18.1. Source data

Data sources are based on surveys conducted by Geostat or administrative data.

#### Data obtained from the internal sources of Geostat:

- Data on the economic activities of non-financial corporations (Statistical Survey of Enterprises, conducted by the Business Statistics Department of Geostat);
- Data on economic activity of households and indicators of economic activity of population (Integrated Household Survey and Labor Force survey, conducted by the Social Statistics Department of Geostat — data on employment);
- Consumer Price Index (CPI), Producer Price Index for Industrial Products (PPI), Price Index for Material Inputs to Construction Industries and Producer Price Index for Freight Transport (Monthly survey of Price Statistics Department);
- Data on agriculture output (Sample survey of agriculture conducted by Agriculture and Environmental Statistics Department);
- Data on Non-Profit Institutions Serving Households (Survey of Non-Profit Institutions conducted by the Business Statistics Department).

#### Administrative (External) Data Sources:

- General Government and State budget revenues and expenditures (Ministry of Finance of Georgia);
- Indicators of national and commercial banks (National bank of Georgia);
- Indicators of insurance companies (LEPL Insurance State Supervision Service of Georgia).

### 18.2. Frequency of data collection

Monthly, Quarterly, Annual.

### 18.3. Data collection

Databases of Geostat and data from administrative sources.

### 18.4. Data validation

In particular cases, accuracy of data is checked with the data source.

### 18.5. Data compilation

Data obtained from internal and external sources are processed in a special format needed for the national accounts. The next step is compilation of GDP and other aggregate indicators of national accounts.

**Gross Domestic Product by production approach** is the sum of gross value added created within the economic territory of the country by the types of economic activities (or institutional units), plus taxes on products and import (VAT, excise tax and import tax) less subsidies.

**Gross Value Added** is a difference between the values of goods and services produced (gross output) and intermediate consumption.

**Production value at basic prices** = Turnover + Capitalized goods and services - Purchases of goods and services for resale + Subsidies for goods +/- Change of unfinished production volume +/- Change of Stocks of finished goods +/- Change of Stocks of goods for resale.

Output in Trade, Intermediation activities, Electricity, gas, steam and air conditioning supply, Transport and communications (only in exceptional cases) is the difference between the values of the goods (services) sold by the enterprise and the purchases of the goods.

**Intermediate consumption** = Purchases of goods and service – Purchases of goods and services for resale without transformation +/- Change of stocks of Materials and supplies and other labour subjects.

**GDP in constant prices** by production approach is calculated by the method of double deflation. Using respective price indices, double deflation is conducted by subtracting deflated intermediate consumption from the deflated figure of output.

**GDP deflator** is a division of nominal GDP by real GDP.

#### 18.6. Adjustment

Source data is adjusted in order to take into account the non-observed economy.

#### 19. Comment

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