

THE STATISTICAL OFFICE OF THE SLOVAK REPUBLIC

**Drafting of Quarterly National Accounts Inventories
(Final Report)**

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Inventories of sources and methods for Quarterly National Accounts (QNA)

Chapter 1 Overview of the system of quarterly accounts

1.1 Organisation and institutional arrangements

Legal framework of the state statistics

(1) The legal framework in the field of state statistics is governed by the National Parliament Act of Law No. 540/2001 Coll. on State Statistics (hereinafter the Law). The Law regulates the conditions for the achievement of statistical data required for the decision-making on the social and economic development of the SR, the position and responsibility of statistical bodies of the SR and on the tasks of Slovak government in the field of state statistics. Furthermore, it regulates the rights and commitments of reporting units in connection to the data achievement for the purposes of statistical surveys carried out in the field of state statistics, statistical data delivery, protection of these data against the misuse and determines sanctions for breaching the provisions of the Law. The Law is fully in line with the equivalent EU legal standards and assures the comparability of statistical information and the fulfilment of commitments resulting from the international agreements on the state statistics, by which the Slovak Republic is bound.

Organisational structure of the SOSR

(2) In accordance to the Organisational Order of the SOSR (2006), an internal structure of the SOSR is set down in terms of the declaration of responsibility, empowerment, province and mutual relations of the given units as follows:

(3) The top representatives of the SOSR are the president, vice-president, general secretary, head of personal office, general director of the section, head of Bureau of President, head of division and head of unit.

(4) The SOSR consists from the following basic organisational levels:

- a) President
- b) Vice-president
- c) General secretary
- d) Sections and independent divisions
- e) Departments
- f) Units

Section of National Accounts and Prices (300)

(5) The section is responsible for the performance of conceptual, legislative and methodological tasks related to the development of statistical information sub-systems and the delivery of information for the purposes of both, analysis of social

events for Slovakia and the international comparison. It ensures the conceptual development of the methodology of national accounts in accordance to the system of European Economic and Regional Accounts (ESA95), while at the same time drawing the attention also to the System of National Accounts (SNA93). The section consequently applies the methodology when compiling the quarterly and annual comprehensive, sector and regional accounts for the Slovak Republic, together with specific products resulting from this methodology: purchasing power parity, notification tables of the excessive deficit and debt of government, background for both, the 3rd and 4th sources of the EU budget, supply and use tables (SUTs), input-output tables (IOTs) and the ESA95 transmission programme.

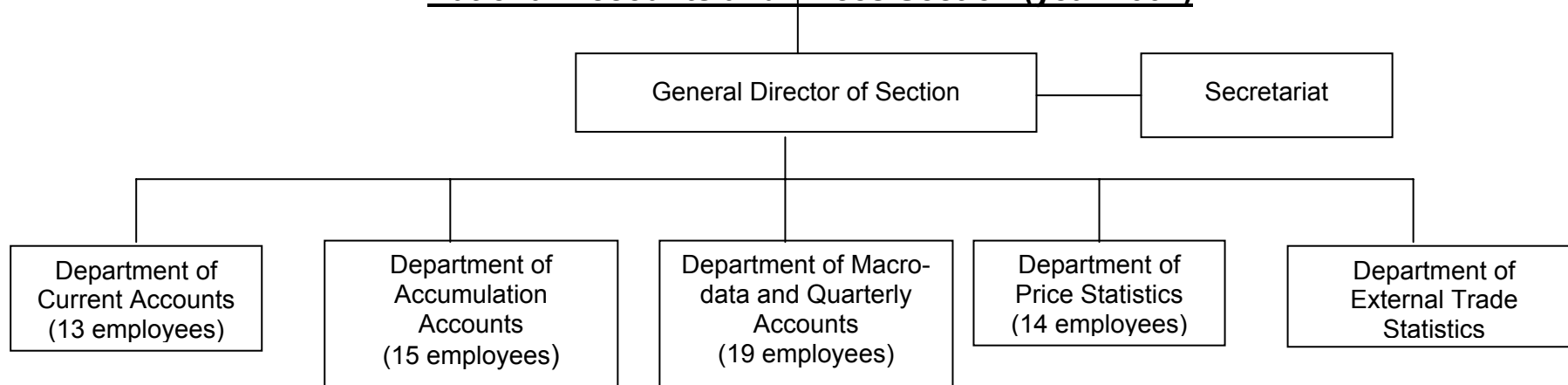
(6) Further it assures the application of the price statistics methodology, foreign trade statistics, banking statistics, statistics on insurance, financial statistics and statistics on the fixed capital formation and stocks. It carries out activities related to the pursuance of granted and other projects within the framework of international co-operation, participates in the organisation of agreed international meetings and seminars in the SR and within the framework of contracts it applies the content of agreed co-operation in the Section activity. It collaborates with Eurostat in the implementation of new regulations in the field of national accounts, prices and foreign trade statistics. It applies the international standards in the area of methodology, classifications and participates in the creation of registers and codes. It is involved in the preparation of the Programme of State Statistical Surveys and its amendments for the purposes of compilation of the system of national accounts and the submission of information on the macro-economic and price development, on the foreign trade activity and on the structural development of the society. It makes analyses and delivers the statistical data in compliance with the scope and structure of the publication system of the SOSR. It governs and solves the particular professional problems for the needs of regional offices.

(7) The National Accounts and Prices Section (300) is managed by the general director and 1 secretary at his disposal. The structure of the section by particular divisions in November 2007 is as follows:

- the current accounts department,
- the accumulation accounts department,
- the macro-data and quarterly accounts department,
- price statistics department,
- foreign trade statistics department.

(8) *Macro-data and Quarterly Accounts department* (19 employees including 1 director and 1 agenda coordinator) elaborates the background for the generation of concepts, programmes and projects in the field of state statistical surveys for the system of quarterly national accounts and develops the methodology of particular accounts in compliance with the international methodological standards. In accordance to both, the ESA95 and SNA93, methodologies and their updating it complies the full sequence of non-financial quarterly complex and sector accounts for all sectors, except for the generation and use of income accounts in the sector S.14. It makes up the regional accounts and participates in the compilation of quarterly SUTs. It ensures the preparation of data and the calculation of purchasing power parity for the SR, together with the calculation of employment data at the quarterly level. It carries out the constant price estimates. The department is not broken down into units.

National Accounts and Prices Section (year 2007)



The employees who compile QNA :

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- Zuzana Páleníková – balancing, chain-linked prices, seasonal analysis (maternity leave)
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- Libuša Kolesárová – coordinator – statistical annual and quarterly surveys methodology (libusa.kolesarova@statistics.sk)
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- Katarína Romaňáková – statistical surveys methodology (katarina.romanakova@statistics.sk)

1.2 Publication timetable, revisions policy and dissemination of GNA

(9) Statistical office of the Slovak republic publishes QNA data at the address www.statistics.sk.

(10) Time schedule of QNA is as follows:

Flash GDP estimate and overall employment is published 45 days after reference quarter.

- First regular estimate of QNA indicators on the GDP basis is published 61 - 65 days after reference quarter (published in the Calendar of first release). In Slovstat database are data time series available at least 10 days after above-mentioned date. This database contains GDP data by production, expenditure and income approach and data for overall employment
- QNA data by institutional sectors (for general government sector) are available till 90 days after reference quarter and some days after this date in Slovstat as well.

(11) QNA are in charge of GDP calculation by production, expenditure and income approach; Gross national income and Gross /Net national disposable income and employment.

1.3 QNA compilation approach

(12) The system of quarterly accounts in the Slovak republic is based on the same principles, concepts and definitions, as the system of annual national accounts. In both systems the same definitions classifications, registers, files of reporting units as well as conceptually the same statistical surveys are used. Because of the character and targets of quarterly accounts the database used for compilation of quarterly accounts is (compared to the annual national accounts) more limited and the structure of compiled macro-economic indicators reflects possibilities given by the limited time available. With regard to above mentioned QNA uses discrepancy, which is difference between production and expenditure approach. Discrepancy is different in individual quarters and usually reaches 0,3 – 0,8 % of GDP.

1.4 Balancing, benchmarking and other balancing procedures

(13) Balancing within QNA is based mainly on acquiring one numeric data for GDP. It is based on data comparison for 3 calculation approaches (production, expenditure, income). In first step on the basis of results for 3 approaches is estimated likely GDP. Subsequently are examined results of estimated data from non-directly acquired sources (e.g. estimate of items acquired from data time series from ANA – e.g. value added for small entrepreneurs) and data grossing up. With regard to that for GDP calculation by production approach are available most sources, results of this approach are considered as more precise. Balancing is carried out on data in current prices as well as constant prices. Seasonally adjusted data are balanced as well in

the way that sum for a year in current and constant prices matches with non-seasonally either seasonally adjusted data.

(14) Annual sums of published QNA may be different in comparison with ANA during one- quarter period. In September of current year are published preliminary ANA results. Subsequently is carried out QNA revision and it is published in the same time as results for 3.Q of current year. Benchmarking: For revision of QNA time series in most of time series we use (after allowing for methodological changes) software Ecotrim i.e. Bench.

1.5. Volume estimates

(15) Since 3. quarter 2007 GDP data were converted into constant prices on the base of previous year and into chain-linked volumes with reference year 2000. The first calculation of GDP is performed using current prices. Followed by conversion into average prices of previous year, then by chaining to get data at constant prices level 2000 in accordance with the Eurostat requirements.

1.6 Seasonal adjustment and working day correction

(16) Within QNA we adjust the time series of variables from Table 1 included in Transmission programme ESA 95, which are provided quarterly to Eurostat. From the most important variables there is aggregate of GDP and its components from expenditure side and side of resources, which we publish seasonally, adjusted also in the public database SLOVSTAT. Seasonal adjustment is performed quarterly by using the methods TRAMO-SEATS included in the software tool DEMETRA. We adjust time series in current and chain-linked prices. The calendar effect adjustment is included in seasonal adjustment in the case of statistical significance. But from the fourth quarter 2007 we are planning to provide also the time series of GDP and Gross value added separately working-day adjusted.

1.7 Additional information

(17) Statistical office of the Slovak republic publishes QNA data at the address www.statistics.sk.

(18) Flash estimate of GDP and total employment is published at the address

<http://portal.statistics.sk/showdoc.do?docid=7581>

(19) First regular estimate of quarterly account figures on GDP is published at the address

<http://portal.statistics.sk/showdoc.do?docid=5703>

(20) QNA data in Slovstat database are at address

<http://portal.statistics.sk/showdoc.do?docid=3071>

Chapter 2 Publication timetable, revision policy and dissemination of QNA

2.1 Release policy

2.1.1 Data publication policy at SO SR

(21) Statistical information provided by Statistical Office of the Slovak Republic is an important basis for decision-making. For that reason in certain time and extent all official statistical information compiled by SO SR have to become a public property and must be disseminated by respecting the quality of the provided data.

(22) The main role at the system of information providing have got the Information Services of the SO SR and of all its regional offices in SR. They use information resources that are all outputs from data processing provided by the subject related departments. If the request is aimed for the outputs with more detailed structure or needs special computer treatment, the co-operation with the experts from subject related departments is necessary. Our target is firstly quality of the outputs for the best satisfaction of the users requests.

The main groups of users

(23) Legislative and executive authorities

- President of the Republic
- National Council
- Government
- Ministries and other central government authorities

(24) Central government and local government authorities

- Regional Offices, Regional and District Offices of Specialised Government
- Town and Municipality Offices

(25) Science and research

- Science and research institutions
- Universities and higher education institutions
- Technical libraries

(26) International and intergovernmental organizations

- Eurostat
- UN, International Monetary Fund, OECD, ILO, UNESCO, WHO, WTO, World Bank and others
- Foreign embassies in SR, embassies of SR in abroad

(27) Public service institutions

- Social insurance company
- Slovak radio
- Slovak television
- General health insurance company
- The Office of Labour, Social Affairs and Family

(28) Financial institutions

- National Bank of Slovak Republic
- Commercial banks
- Insurance companies
- Non-banking financial institutions
- Pension management companies

(29) Companies, associations, corporations, labour unions

- Business sphere
- Federation of employers association and individual employers associations
- Confederation of labour unions and individual labour unions

(30) General public

- media (electronic, print)
- organisations of social character (foundations, cultural and interest clubs, various unions)
- students of schools of all types
- church institutions
- political parties and movements
- public libraries
- other public

(31) Data dissemination policy at the SO SR is governed by following documents:

- Decision of president of SO SR on giving the rules for publication and providing of the statistical information
- The rules for publication and providing of the statistical information;

(32) The rules define obligatory procedure for publication and providing of the statistical information and for compiling of Catalogue of Publications. They characterize the basic forms of publication and providing of all kinds of the products and services. They define the principles of relations with the data users and contain the rules for providing of the products and services, pricing of the publications and other standard and non-standard outputs on the basis of the users' needs.

- The principles and rules for development and updating of content of the public database SLOVSTAT.

(33) Products provided by SO SR can be found on the following address:

<http://portal.statistics.sk/showdoc.do?docid=359>

(34) There are:

- Latest publications
- Catalogue of Publications 2007-2008

(35) The Catalogue of Publications contains the summary of all publications that are going to be released by the SO SR and its regional offices. In the released titles

there are presented the outputs from the statistical surveys, censuses and mass observations. Besides the list of publications the catalogue contains also other information, the instructions for ordering, addresses of Regional Offices and reference to the electronic information service ELIS. The Catalogue is released in Slovak and English version. After its publication in printed form it is exposed also on web site of SO SR in the section „Publications“. This is the duty of Department of Comprehensive Analyses and Information together with Department of Information Technology.

(36) The basic criterion for any publication edition and its inclusion to the Catalogue of Publications is its content, which have to satisfy current needs of appraisal of social and economic situation. It must be in compliance with duties from the Act (NC SR) No. 540/2001 Coll. on state statistics (further only the Act on state statistics) and the Act on personal data protection. It must respect the validity and comparability of the statistical information in a given time span, users' interests and also publication costs.

- Calendar of the First Data Release

(37) The Calendar of the First Data Release contains the release dates of selected data categories on the forthcoming three months. Data will be published in the given day at 9 o'clock on the Internet website of the SO SR www.statistics.sk in the section „Information reports“ and will be also at users disposal at the Information Service of the SO SR (phone number: 5023 6335, fax number: 5556 1361) and at the press secretary of the SO SR (phone number: 5542 5780, fax number: 5556 1436). On the website of the SO SR can be also found a notice for amendments of the terms.

- Public database SLOVSTAT can be found on the web site:

<http://portal.statistics.sk/showdoc.do?docid=3158>

(38) The public database SLOVSTAT (further only PDB) contains time series of indicators of economic and social-economic development in the Slovak Republic saved in the environment Oracle. The data are available on-line via Internet for public and via Intranet for internal users from SO SR.

(39) The basis of PDB, which is being developed gradually, is made up of time series of selected indicators from all statistical fields. Currently the majority of data in PDB is not uploaded automatically from statistical processing but is adopted from internal databases of employees from the subject related departments of SO SR and externally from the statistics of other institutions. The data are saved in the Oracle tables.

(40) It is necessary - until the process of PDB production is fully automatic - to ensure the up-to-datedness of published data and also metadata which are intended for users providing them with information on definitions of the indicators, methodology and other notes on the data.

2.1.2 Publication policy of QNA data

(41) Publication of quarterly national accounts data is integral part of data publication system at SO SR and is guided by given documents and legal acts. Compilation of Catalogue of Publications and Calendar of the First Data Release for the QNA data is based on the Transmission Programme Under ESA 95 and the Agreement with Eurostat on coordination of QNA data publication within EU as well as on principles of Special IMF standards.

(42) Timetable of QNA data release is as follows:

- Flash estimate of GDP and total employment is published 45 days after reference quarter. Data are published on www.statistics.sk at the address

<http://portal.statistics.sk/showdoc.do?docid=7581>

- First regular estimate of quarterly account figures on GDP basis is published in compliance with above mentioned agreement with Eurostat, according which SOSR published in year 2007 data for 4.Q.2006 in 65 days and for 1.Q2007 in 61 days after reference quarter at the address <http://portal.statistics.sk/showdoc.do?docid=5703>
- Data for 2.Q.2007 will be published 66 days and data for 3.Q.2007 60 days after reference quarter. There are gradually actualised time series in Slovstat database at address <http://portal.statistics.sk/showdoc.do?docid=5703> and full tables set is available at least 10 days after mentioned date.
- Data for quarterly accounts by institutional sectors are available till 90 days after reference quarter. Data for general government sector are published and it is possible to find them in Slovstat database some days after mentioned date.
- Except the data regarding to Transmission Programme ESA95 we publish in Slovstat database quarterly data for area of financial statistics (mainly data for sector of non-financial and financial corporations), long-term assets and dwellings construction. We ensure elaboration specific tasks on quarterly data made by MF SR and NBS in compliance with „Agreements about reciprocal data transmission as well as requirements of another important domestic and foreigner users.

(43) For compilation of flash estimates and quarterly accounts are used except own surveys also published data of short-term (monthly) production and social statistics, foreign trade statistics and balance of payments. Supply of statistical data for flash estimates and quarterly accounts is adjusted by time schedules of data transmission, which were endorsed by directory meeting of SOSR. Data supply from balance of payments is set in Agreement about reciprocal data transmission between NBS, MF SR and SOSR. In the case that on publication date data are not available, partners will supply us with experts' estimates of required figures. On publication date of quarterly accounts by institutional sectors (T+90) are available relevant data.

(44) Flash estimates of GDP and overall employment are improved on the base of first regular estimate of quarterly accounts figures. Main QNA aggregates from first regular estimates are compiled also by institutional sectors and are used as base for compilation of quarterly accounts by institutional sectors and of short-term public finance statistics.

(45) First annual account estimate is compiled as sum of four quarters of reference period and these data are published together with results of 4th quarter of current year.

2.2 Contents published

(46) SO SR – Department of Macro-data and Quarterly accounts compiles tables of Transmission programme ESA 95 and these data regularly transmits to Eurostat and OECD and supplies to Ministry of Finance of the Slovak Republic (MF SR) and to National Bank of Slovakia in accordance with Agreement about reciprocal data transmission. Presently on new web portal of SO SR is not yet published full data set of Transmission programme ESA 95, but it is planned subsequent enlarging of published data set.

(47) Flash GDP and overall employment estimate

<http://portal.statistics.sk/showdoc.do?docid=7556> commonly contains data about:

- GDP in current prices (bill. SKK); index for the same period of previous year = 100; data are compiled as non-seasonally adjusted and seasonally adjusted;
- GDP in constant prices of the year 2000 (bill. SKK); index for the same period of previous year = 100; data are compiled as non-seasonally adjusted and seasonally adjusted;
- Overall employment in thousands of persons; index for the same period of previous year = 100; data are compiled as non-seasonally adjusted and seasonally adjusted;

(48) First regular estimate of quarterly accounts figures on the GDP basis is published at the address <http://portal.statistics.sk/showdoc.do?docid=8164>. Page contains data related to GDP (main aggregates for production, expenditure and income approach) for 1st, 2nd, and 3rd quarter of 2007 as well as for 1–3q2007 and also information report.

(49) For press conference on the publication date it is prepared document „Development in chosen areas of economy for relevant period“, which from quarterly accounts data contains information reports of SO SR (including data tables) regarding GDP development, its aggregates and employment in accordance with ESA 95, regarding development of financial management of corporations, regarding gross capital formation, formation and use of incomes in households sector and dwelling construction. Document includes actualised GDP forecasting as well. This document is provided to bank and general government analysts at regular seminar meeting regarding economy development for relevant quarter.

(50) Slovstat database contains quarterly accounts data, usually for time period from 1.Q.1995 to 2.Q.2007 (at the date of Inventory compilation), for short-term public finance statistics, durables, banking and finance. Published list of indicators is shown next table.

Database SLOVSTAT available on an Internet address www.statistics.sk in framework of SLOVSTAT Data Bases, in its leg MENU :

a.) Macroeconomic statistics / Quarterly Accounts

Gross Domestic Product (at SKK, EUR, USD, PPS, per capita)

GDP at curr.pr. (mill. SKK)
GDP at const. PPY (mill. SKK)
GDP at const.pr.00 (mill. SKK)
Exchange rate SKK / USD
Exchange rate SKK / EUR
Exchange rate SKK / PPS
Average population (thous.)
GDP at curr.pr. (bill. USD)
GDP at const. PPY (bill. USD)
GDP at const.pr.00 (bill. USD)
GDP at curr.pr. (bill. EUR)
GDP at const. PPY (bill. EUR)
GDP at const.pr.00 (bill. EUR)
GDP at curr.pr. (bill. PPS)
GDP at const. PPY (bill. PPS)
GDP at const.pr.00 (bill. PPS)
GDP per capita at curr.pr. (thous. SKK)
GDP per capita at const. PPY (thous. SKK)
GDP per capita at const.pr.00 (thous. SKK)
GDP per capita at curr.pr. (thous. USD)
GDP per capita at const. PPY (thous. USD)
GDP per capita at const.pr.00 (thous. USD)
GDP per capita at curr.pr. (thous. EUR)
GDP per capita at const.PPY (thous. EUR)
GDP per capita at const.pr.00 (thous. EUR)
GDP per capita at curr.pr. (thous. PPS)
GDP per capita at const. PPY (thous. PPS)
GDP per capita at const.pr.00 (thous. PPS)

Gross domestic product recalculated per one working and calendar day

GDP at curr.pr. (mill. SKK)
GDP at const. PPY (mill. SKK)
GDP at const.pr.00 (mill. SKK)
Number of working days
Number of calendar days
GDP per 1 work. day at curr.pr. (mill.SKK)
GDP per 1 work. day at const. PPY (mill.SKK)

GDP per 1 work. day at const.pr.00 (mill. SKK)
GDP per 1 cal. day at curr.pr. (mill. SKK)
GDP per 1 cal. day at const. PPY (mill. SKK)
GDP per 1 cal. day at const.pr.00 (mill. SKK)

Gross Domestic Product formation and its components in Mill. SKK at curr. prices, indexes

Gross Domestic Product
Output
Intermediate consumption
Value added
Other (taxes less subsidies)

Gross Domestic Product formation and its components in Mill. SKK at chain-linked volumes with reference year 2000, indexes

Gross Domestic Product
Output
Intermediate consumption
Value added
Other (taxes less subsidies)

Gross output by branches of NACE in Mill. SKK at current prices

Economy total
A,B Agriculture, hunting, fishing, forestry total
C,D,E Industry total
F Construction
G,H,I Trade, Hotels, Restauran., Wholesale, Transport, storage
J,K Financial intermediation, Real estate, Renting, Buss. Activ.
L,M,N,O,P Public admin., defen., educ., health, soc.servic., priv. household.

Intermediate consumption by branches of NACE in Mill. SKK at current prices

Economy total
A,B Agriculture, hunting, fishing, forestry total
C,D,E Industry total
F Construction
G,H,I Trade, Hotels, Restauran., Wholesale, Transport, storage
J,K Financial intermediation, Real estate, Renting, Buss. Activ.
L,M,N,O,P Public admin. ,defen. , educ., health, soc. servic., priv. household.

Value added by branches of NACE in Mill. SKK at current prices

Economy total
A,B Agriculture, hunting, fishing, forestry total
C,D,E Industry total
F Construction
G,H,I Trade, Hotels, Restauran., Wholesale, Transport, storage
J,K Financial intermediation, Real estate, Renting, Buss. Activ.
L,M,N,O,P Public admin., defen., educ., health, soc. servic., priv. household.

Gross Domestic Product by expenditure components in Mill. SKK at current prices, indices

Gross domestic product generated
Final consumption total
Final consumption households
Final consumption of NPISH's
Final consumption of government
Gross capital formation total
Gross fixed capital formation
Change in inventories
Total of domestic demand
Balance of foreign trade
Export of goods and services
Import of goods and services
Statistical discrepancy
Gross domestic product used

Gross Domestic Product by expenditure components in Mill. SKK at chain-linked volumes with reference year 2000, indices

Gross domestic product generated
Final consumption total
Final consumption households
Final consumption of NPISH's
Final consumption of government
Gross fixed capital formation
Change in inventories
Export of goods and services
Import of goods and services
Gross domestic product used

Seasonally adjustment of GDP resources in Mill. SKK at current prices

Gross Domestic Product
Gross Value Added exclud. FISIM
Taxes less Subsidies on Products
Statistical Discrepancy

Seasonally adjustment of GDP resources in Mill. SKK at chain-linked volumes with reference year 2000

Gross Domestic Product
Gross Value Added exclud. FISIM
Taxes less Subsidies on Products
Statistical Discrepancy

Seasonally adjustment of GDP by expenditure components in Mill. SKK at current prices

Gross Domestic Product
Final Consumption Expenditure
Gross capital formation
Export of goods and services

Import of goods and services
Statistical Discrepancy

Seasonally adjustment of GDP by expenditure components in Mill. SKK at chain-linked volumes with reference year 2000, indices

Gross Domestic Product
Final Consumption Expenditure
Gross capital formation
Export of goods and services
Import of goods and services
Statistical Discrepancy

Gross Domestic Product by branches of NACE in Mill. SKK at current prices, indices

Economy total
A,B Agriculture, hunting, fishing, forestry total
C,D,E Industry total
F Construction
G,H,I Trade, Hotels, Restauran., Wholesale, Transport, storage
J,K Financial intermediation, Real estate, Renting, Buss. Activ.
L,M,N,O,P Public admin., defen., educ., health, soc. servic., priv. household.
Other

Gross Domestic Product by branches of NACE in Mill. SKK at chain-linked volumes with reference year 2000, indices

Economy total
A,B Agriculture, hunting, fishing, forestry total
C,D,E Industry total
F Construction
G,H,I Trade, Hotels, Restauran., Wholesale, Transport, storage
J,K Financial intermediation, Real estate, Renting, Buss. Activ.
L,M,N,O,P Public admin., defen., educ., health, soc. servic. ,priv. household.
Other

Gross fixed capital formation by branches of NACE in Mill. SKK at current prices, indices

Economy total
A Agriculture, hunting, forestry
B Fishing
C Mining and quarrying
D Manufacturing
DA Manufacture of food products; Beverages, tobacco
DF Manufacture of coke, refined petroleum products, nuclear fuel
DG Manufacture of chemicals, chemical products, man-made fibres
DJ Manufacture of basic metals, fabricated metal products
DM Manufacture of transport equipment
E Electricity, gas, water supply
F Construction
G Wholesale, retail trade; Repair of motor vehicles, motorcycles
H Hotels and restaurants
I Transport, posts, communications

- J Financial intermediation
- K Real estate, renting, business activities
- L Public administration, defence; compulsory social security
- M Education
- N Health and social work
- O Other community, social, personal service activities

Gross fixed capital formation by classification of production in Mill. SKK at current prices, indices

- Economy of SR total
- Products of agriculture, hunting and fishing
- Fabricated metal products, Machinery, Electrical, Optical and Transport equipment
- Fabricated metal products and Machinery equipment
- Transport equipment
- Buildings total
- Dwelling buildings
- Other buildings
- Other products (other parts of CPA)

Gross fixed capital formation by sectors in Mill. SKK at current prices, indices

- Economy of SR total
- Non financial corporations
- Financial corporations
- General governments
- Households
- Non-profit institutions serving households

Generation and use of income in sector of households in Mill. SKK at current prices

- Current income total
- Compensation of employees (all sectors)
- Brutto wages and salaries
- Gross mixed income
- Property income of income
- Social benefits other than social transfers in kind
- Other current transfer of income
- Current expenditures total
- Property income of expenditures
- Current taxes on income, wealth, etc.
- Social contributions
- Other current transfer of expenditures
- Gross disposable income
- Adjust. for the change in net househ. equity in pension funds
- Final consumption of households
- Gross saving

Final consumption of households by Classification COICOP in Mill. SKK at current prices, indices

- Total

Food and non-alcoholic beverages
Alcoholic beverages and tobacco
Clothing and foot wear
Housing, water, electricity, gas and other fuels
Furnishing, household equipment and routine maintenance of the house
Health
Transport
Post and Telecommunications
Recreation and culture
Education
Hotels, cafés and restaurants
Miscellaneous goods a services

Final consumption of households by Classification COICOP in Mill. SKK at constant prices at chain-linked volumes with reference year 2000, indices

Total
Food and non-alcoholic beverages
Alcoholic beverages and tobacco
Clothing and foot wear
Housing, water, electricity, gas and other fuels
Furnishing, household equipment and routine maintenance of the house
Health
Transport
Post and Telecommunications
Recreation and culture
Education
Hotels, cafés and restaurants
Miscellaneous goods a services

Total employment (ESA95) by branches of NACE in persons, indices

Economy total
A Agriculture, hunting, forestry
B Fishing
C Mining and quarrying
D Manufacturing
E Electricity, gas, water supply
F Construction
G Wholesale, retail trade; Repair of motor vehicles, motorcycles
H Hotels and restaurants
I Transport, posts, communications
J Financial intermediation
K Real estate, renting, business activities
L Public administration, defence; compulsory social security
M Education
N Health and social work
O Other community, social, personal service activities
P Private households with employed persons

Employees (ESA95) by branches of NACE in persons, indices

Economy total

A Agriculture, hunting, forestry

B Fishing

C Mining and quarrying

D Manufacturing

E Electricity, gas, water supply

F Construction

G Wholesale, retail trade; Repair of motor vehicles, motorcycles

H Hotels and restaurants

I Transport, posts, communications

J Financial intermediation

K Real estate, renting, business activities

L Public administration, defence; compulsory social security

M Education

N Health and social work

O Other community, social, personal service activities

P Private households with employed persons

Compensation of employees (ESA95) by branches of NACE in Mill. SKK at current prices, indices

Economy total

A Agriculture, hunting, forestry

B Fishing

C Mining and quarrying

D Manufacturing

E Electricity, gas, water supply

F Construction

G Wholesale, retail trade; Repair of motor vehicles, motorcycles

H Hotels and restaurants

I Transport, posts, communications

J Financial intermediation

K Real estate, renting, business activities

L Public administration, defence; compulsory social security

M Education

N Health and social work

O Other community, social, personal service activities

P Private households with employed persons

Hours worked by employed persons (ESA95) by branches of NACE in Thous. hours, indices

Economy total

A Agriculture, hunting, forestry

B Fishing

C Mining and quarrying

D Manufacturing

E Electricity, gas, water supply

F Construction

G Wholesale, retail trade; Repair of motor vehicles, motorcycles

H Hotels and restaurants

- I Transport, posts, communications
- J Financial intermediation
- K Real estate, renting, business activities
- L Public administration, defence; compulsory social security
- M Education
- N Health and social work
- O Other community, social, personal service activities
- P Private households with employed persons

Disposable income in Mill. SKK at current prices, indices

- Gross Domestic Product
- Primary incomes receivable from the rest of the world
- Primary incomes payable to the rest of the world
- Gross national income
- Gross national disposable income
- Consumption of fixed capital
- Net Domestic Product
- Net national income
- Current transfers receivable from the rest of the world
- Current transfers payable to the rest of the world
- Net national disposable income

Real disposable income in Mill. SKK at constant prices by the chained volume indices, indices

- Gross Domestic Product at constant prices
- Trading gain or loss
- Real gross national income
- Real primary incomes receivable from the rest of the world
- Real primary incomes payable to the rest of the world
- Real gross national income at market prices
- Real current transfers receivable from the rest of the world
- Real current transfers payable to the rest of the world
- Real gross national disposable income
- Consumption of fixed capital at constant prices
- Real net national income at market prices
- Real net national disposable income

General government revenue in Mill. SKK at current prices

- Market output, output for own final use and paym. for other non-market output
- Taxes on Production and Imports
- Value Added Type Taxes
- Property income (receivable)
- Current Taxes on Income, Wealth, etc. (receivable)
- Social contributions (receivable)
- Actual social contributions
- Imputed social contributions
- Other current transfers (receivable)
- Capital transfers (receivable)
- Capital taxes

Other capital transfers and investment grants
Total general government revenue
Savings, gross
Net lending (+) / Net borrowing (-)

General government expenditure in Mill. SKK at current prices

Intermediate Consumption
Gross Capit. Format., Acquisit. - dispos. of non-finan. non-produc.assets
Gross Fixed Capital Formation
Compensation of employees
Other Taxes on Production (payable)
Subsidies (payable)
Property Income (payable)
Interest
Current Taxes on Income, Wealth, etc. (payable)
Social benefits other than social transfers in kind
Soc.transf. in kind relat.to expend.on products suppl.to househol. via mark.proced.
Other current transfers (payable)
Capital transfers (payable)
Total general government expenditure
Final Consumption Expenditure
Consumption of Fixed Capital

b.) Banking, Finance and Foreign trade / Financial, monetary and insurance statistics

Financial corporations

Selected indicators of financial organizations in Mill. SKK

Costs

Insurance
Banking
Non banking financial institutions

Payables

Insurance
Banking
Non banking financial institutions

Costs on insurance

Insurance
Banking
Non banking financial institutions

Insurance

Insurance
Banking
Non banking financial institutions

Profit / loss before taxation

Insurance
Banking
Non banking financial institutions

Revenues

Insurance
Banking
Non banking financial institutions

Non financial corporations

Selected indicators of non financial organizations by branches of NACE in Mill. SKK

Costs

Economy total
A Agriculture, hunting
B Forestry and Fishing
C Mining and quarrying
D Manufacturing
DA Manufacture of food products; Beverages, tobacco
DB Manufacture of textiles, textiles products
DC Manufacture of leather, leather products
DD Manufacture of wood, wood products
DE Manufacture of pulp, paper, paper products; Publishing, printing
DF Manufacture of coke, refined petroleum products, nuclear fuel
DG Manufacture of chemicals, chemical products, man-made fibres
DH Manufacture of rubber, plastic products
DI Manufacture of other non-metallic mineral products
DJ Manufacture of basic metals, fabricated metal products
DK Manufacture of machinery, equipment n.e.c.
DL Manufacture of electrica, optical equipment
DM Manufacture of transport equipment
DN Manufacturing n.e.c.
E Electricity, gas, water supply
F Construction
G Wholesale, retail trade; Repair of motor vehicles, motorcycles
H Hotels and restaurants
I Transport, posts, communications
K Real estate, renting, business activities
M Education
N Health and social work
O Other community, social, personal service activities

Revenues

Economy total
A Agriculture, hunting
B Forestry and Fishing
C Mining and quarrying
D Manufacturing
DA Manufacture of food products; Beverages, tobacco
DB Manufacture of textiles, textiles products
DC Manufacture of leather, leather products
DD Manufacture of wood, wood products
DE Manufacture of pulp, paper, paper products; Publishing, printing

DF Manufacture of coke, refined petroleum products, nuclear fuel
DG Manufacture of chemicals, chemical products, man-made fibres
DH Manufacture of rubber, plastic products
DI Manufacture of other non-metallic mineral products
DJ Manufacture of basic metals, fabricated metal products
DK Manufacture of machinery, equipment n.e.c.
DL Manufacture of electrica, optical equipment
DM Manufacture of transport equipment
DN Manufacturing n.e.c.
E Electricity, gas, water supply
F Construction
G Wholesale, retail trade; Repair of motor vehicles, motorcycles
H Hotels and restaurants
I Transport, posts, communications
K Real estate, renting, business activities
M Education
N Health and social work
O Other community, social, personal service activities

Profit / loss

Economy total
A Agriculture, hunting
B Forestry and Fishing
C Mining and quarrying
D Manufacturing
DA Manufacture of food products; Beverages, tobacco
DB Manufacture of textiles, textiles products
DC Manufacture of leather, leather products
DD Manufacture of wood, wood products
DE Manufacture of pulp, paper, paper products; Publishing, printing
DF Manufacture of coke, refined petroleum products, nuclear fuel
DG Manufacture of chemicals, chemical products, man-made fibres
DH Manufacture of rubber, plastic products
DI Manufacture of other non-metallic mineral products
DJ Manufacture of basic metals, fabricated metal products
DK Manufacture of machinery, equipment n.e.c.
DL Manufacture of electrica, optical equipment
DM Manufacture of transport equipment
DN Manufacturing n.e.c.
E Electricity, gas, water supply
F Construction
G Wholesale, retail trade; Repair of motor vehicles, motorcycles
H Hotels and restaurants
I Transport, posts, communications
K Real estate, renting, business activities
M Education
N Health and social work
O Other community, social, personal service activities

Payables

Economy total

- A Agriculture, hunting
- B Forestry and Fishing
- C Mining and quarrying
- D Manufacturing
 - DA Manufacture of food products; Beverages, tobacco
 - DB Manufacture of textiles, textiles products
 - DC Manufacture of leather, leather products
 - DD Manufacture of wood, wood products
 - DE Manufacture of pulp, paper, paper products; Publishing, printing
 - DF Manufacture of coke, refined petroleum products, nuclear fuel
 - DG Manufacture of chemicals, chemical products, man-made fibres
 - DH Manufacture of rubber, plastic products
 - DI Manufacture of other non-metallic mineral products
 - DJ Manufacture of basic metals, fabricated metal products
 - DK Manufacture of machinery, equipment n.e.c.
 - DL Manufacture of electrica, optical equipment
 - DM Manufacture of transport equipment
 - DN Manufacturing n.e.c.
- E Electricity, gas, water supply
- F Construction
- G Wholesale, retail trade; Repair of motor vehicles, motorcycles
- H Hotels and restaurants
- I Transport, posts, communications
- K Real estate, renting, business activities
- M Education
- N Health and social work
- O Other community, social, personal service activities

Socks

- Economy total
- A Agriculture, hunting
- B Forestry and Fishing
- C Mining and quarrying
- D Manufacturing
 - DA Manufacture of food products; Beverages, tobacco
 - DB Manufacture of textiles, textiles products
 - DC Manufacture of leather, leather products
 - DD Manufacture of wood, wood products
 - DE Manufacture of pulp, paper, paper products; Publishing, printing
 - DF Manufacture of coke, refined petroleum products, nuclear fuel
 - DG Manufacture of chemicals, chemical products, man-made fibres
 - DH Manufacture of rubber, plastic products
 - DI Manufacture of other non-metallic mineral products
 - DJ Manufacture of basic metals, fabricated metal products
 - DK Manufacture of machinery, equipment n.e.c.
 - DL Manufacture of electrica, optical equipment
 - DM Manufacture of transport equipment
 - DN Manufacturing n.e.c.
- E Electricity, gas, water supply
- F Construction

- G Wholesale, retail trade; Repair of motor vehicles, motorcycles
- H Hotels and restaurants
- I Transport, posts, communications
- K Real estate, renting, business activities
- M Education
- N Health and social work
- O Other community, social, personal service activities

(51) SO SR regularly quarterly provide „Statistical Report on Basic Development Tendencies in the Economy of the SR“ – it is possible to find information at the page <http://portal.statistics.sk/showdoc.do?docid=13>; which contains analysis and table annexes of quarterly national accounts on the GDP basis.

2.3 Special transmission

(52) Quarterly accounts data in range of Transmission programme ESA 95 are regularly transmitted to Eurostat and OECD in GESMES format. In mentioned data range are provided in Excel tables to users from MF SR and NBS in accordance with Agreement about reciprocal data transmission.

2.4 Policy for metadata

(53) Metadata publication policy follows Special MMF standard principles for data transmission. Please see [www.portal.sk /Special areas/Bulletin IMF](http://www.portal.sk/Special%20areas/Bulletin%20IMF)

(54) Further information about metadata publication (Source database Slovstat) is listed in relevant chapter.

Chapter 3 Overall QNA compilation approach

3.1. Overall compilation approach

(55) Compilation of National Accounts of the Slovak Republic is based on the "European System of Accounts 1995" (ESA 95).

(56) Gross domestic product (GDP) at market prices represents the final results of the resident units activities produced during the surveyed period. Gross domestic product at market prices is compiled by three methods.

(57) The first one is the output approach which is the sum of value added generated by market activities and output for own final use and non-market activity and value added tax on product and taxes less subsidies on product (created Gross domestic product). The second one is the expenditure approach which is the sum of final consumption of households, final consumption of non-profit institutions serving households, final consumption of government, gross fixed capital formation, changes in stocks and the balance of export and import of goods and services.

(58) The third one is the income approach, which calculate GDP from separate estimates of the components of the value added: compensation of employees, gross operating surplus/mixed income and taxes on production and imports reduced on subsidies.

(59) In the compilation of GDP the following classifications are used to be in line with the international classifications:

- Statistical Branch Classification of Economic Activities (OKEC) based on the NACE classification, which is transformable to ISIC Rev.3 classification. On 2-digit level of numerical codes the OKEC codes are the same as both - NACE and ISIC ones,
- Classification of Product by Activity (KP) based on the European standard
- Classification of Products by Activity (CPA),
- Classification of Types of Construction (CC),
- Classification of Institutional Sectors and Sub-sector based on the ESA 95,
- Classification of Assets, Balancing Items, Transactions and Other Flow based on ESA 95,
- Classification of Individual Consumption by Purpose (COICOP),
- Classification of Goods in Customs Tariffs (HS),
- Classification of the Functions of Government (COFOG).

(60) In addition to that, national classifications are used in the sectors where there has not been any international standard so far or that are not fully compliant to the international standard:

- Standard Classification of Agricultural Products,
- Classification of Budget.

(61) The data cover all economy branches to the full extent of transactions between residents on the country territory (including the non-resident parts of enterprises

situated temporarily on the other countries' territory) and trans-border transactions with other countries' residents.

(62) Geographical coverage: Slovak Republic (extra-regional zones are not used).

(63) Unrecorded activities: Hidden illegal economy has been estimated (drugs and prostitution). The part of the hidden legal economy on which relevant information (such as calculations for not-returned questionnaires, inaccuracies in the registers, estimates for the part of the economy not-covered by statistical questionnaires, balance differences of data under-valuation/overvaluation etc.) is available, is estimated and is included into quarterly results.

(64) The reporting units in the Slovak Republic carry out the accounting operations according to the approved accounting rules and in compliance with law. All the accounting operations and transactions are recorded according to the mentioned accounting scheme. Statistical surveys used for GDP calculation are based exclusively on the accounting records of a respondent during the period when the activity was realized (accrual basis). Some operations within the national budget, especially in the field of taxes, are observed by time when the payment was carried out (cash basis). However, these ones are adjusted by statistical estimations to accrual basis.

(65) Nominal value of gross production by activity sort is priced at basic prices i. e. without taxes on product plus subsidies on product Intermediate consumption is given at purchaser's prices. GDP aggregate is expressed at market prices (i. e. including taxes less subsidies on product). In the final consumption within the expenditure approach to GDP computation market prices, prices regulated by the state and prices based on costs are used. In the foreign trade f.o.b. prices are used. In the gross fixed capital formation purchasing prices are used. Stocks are expressed at market prices or at factor costs and they are adjusted for profits of losses from stock ownership (holding gains). Because of lack of market rents imputed rent of dwellings, garage buildings, vacation and garden homes is evaluated by user-cost method. This method consists of adding all relevant cost items as operating cost, cost on repair and maintenance, gross fixed capital consumption from reproduction value of dwellings, garage buildings, vacation and garden homes and allowance for net operating surplus.

(66) Output approach: Data sources at current prices are ensured by statistical questionnaires and accounting statements, sample surveys or from administrative data sources. The obligation to submit the statistical questionnaires and accounting statements is provided by law. The list of statistical questionnaires is published every year in the Digest of Law adopted by the National Council of the Slovak Republic and in the Statistical Gazette and the list of accounting statements is released in the Financial Gazette. Further data sources are: Balance of payments and bank information on monetary overview compiled by the National Bank of Slovakia, Fulfilment of the state budget of the SR provided by the Ministry of Finance of SR and information provided by Insurance Companies Association. Statistical survey for non-financial sector is realized by combination of full scale and sample survey. Response rate of questionnaires for establishments of enterprises with 20 and more employees is 92 - 95%. For small enterprises up to 19 employees it is about 60 %.

Response rate of questionnaires for tradesmen is up to 40 %, therefore further information from annual data sources is also used. Response rate for financial organizations and government is 100 %.

(67) Expenditure approach: Data source at current prices for figuring out final consumption of households is the result of family accounts, statistical survey for trade (retail trade turnover), market services, industry, transport, posts and telecommunications, foreign trade and from financial sector. Further data are obtained from administrative sources. Comprehensive government data are from quarterly bookkeeping statements from the Ministry of Finance of the SR. Data on government purchases and expenditure from the ministry budgets are taken from the report on revenues and expenditure of the national budget from the MF SR monthly. Data for gross fixed capital formation and stocks are from establishment and enterprise questionnaires. Main source of foreign trade data is the balance of payments, which also includes data on trade balance of goods and services. Bases for the balance of payments are the statistical data on foreign trade based on customs statistics.

(68) Income approach: The main data sources are enterprise statistical survey and administrative data sources (Ministry of Finance of the SR). GDP by income approach are compiled in current prices.

3.1.1. General architecture of the QNA system

(69) Output approach: The results are extrapolated onto a relevant economic basis from the data sources described above which are based on the statistical questionnaires mostly. Imputation according to defined imputation procedure is performed for non-reporting enterprises. The imputation is differentiated by economic activity and is based on data submitted by reporting units of similar type and size for the reference period. In sample part of survey the extrapolation for enterprises with more than 20 employees is based on the data submitted by the reporting unit in the past. Standard mathematical and statistical methods are used on additional calculations at current prices for small enterprises up to 19 employees.

(70) The results of GDP and its individual components are converted from current to constant prices on the basis of the price indices. In principle a double deflation has been used. Gross production and intermediate consumption are deflated separately by using the price index. In case intermediate consumption price indices are specially calculated.

(71) Gross production and intermediate consumption in agriculture is converted into constant prices by price index of agricultural products, in forestry by green wood price index, in industry by the industrial product price index and sewage water price index. The conversion is carry out by branches and some groups of OKEC. Double deflation, separately for construction work and for production of building materials is carried out in construction. The construction work indices and the building material ones are used in this process. Using consumer price index separately for foodstuffs, non-foodstuff goods and public catering recalculates the value of gross production and intermediate consumption for trade and hotels. For banking, insurance industry,

real estates and other market services the conversion into constant prices is carried out through adjusted indices of average monthly wage growth in appropriate branch. Value of gross value added for non-market services is recalculated by adjusted indices of average monthly wage growth in sector of General government and intermediate consumption by related price indices. Intermediate consumption for non-market services is overvalued by the relevant prices indices used in other sectors. In both cases the index is adjusted by the growth of work productivity. Deflation of GDP is carried out for 29 OKEC categories and subcategories.

(72) Expenditure approach: Final consumption of households is being compiled under the consumption approach of GDP on the basis of data from household budgets expressed at COICOP classification, which are extrapolated onto the whole population including households with high income, on the basis of the statistical surveys for trade (retail trade turnover), market services, industry, transport, posts and telecommunications, foreign trade, and financial sector. Further data are obtained from administrative sources and from expert estimates elaborated in co-operation with branch statistics.

(73) The data from statistical surveys (goods, services) are corrected by purchases and expenditures of non-residents and institutions. The items are additionally calculated to the intent of ESA 95 (e.g. natural incomes, production for own use, imputed rents, non-registered economy). The results of final consumption of households expressed at current prices are being recalculated into constant prices at the structure of 43 COICOP items on the basis of relevant consumer prices indexes.

(74) Data on final consumption of government are not additionally calculated since they are based on administrative sources, which are considered as complete. The MF SR obtains the results submitted by the reporting units. In conversion into constant prices compensation of employees are deflated separately. For the deflation the wage index adjusted for labour productivity influence is used. Intermediate consumption is recalculated by related price indices. Fixed capital consumption is deflated by means of a price index used for recalculation of gross fixed capital formation.

(75) Data on gross fixed capital formation are obtained from statistics on acquisition fixed assets. Conversion into constant prices is carried out on the basis of an estimate of the weight of fixed capital formation from domestic production and from import by commodities (on base of SUT). Fixed capital from domestic production is recalculated into constant prices by means of the respective producer price indices; fixed capital from import is recalculated by means of indices computed on basis of adjusted indices and UVI prices (unit prices of goods).

(76) Data on stocks are obtained from regular statistical questionnaires. Conversion into constant prices is carried out at the beginning and at the end of the observed period and the result is an increase/decrease in stocks at comparable price. Stocks are deflated separately for agriculture, industry, construction, trade and transport. For that the related price indices for the mentioned branches are used.

(77) Foreign trade is, from the point of view of data source, separated into: trade balance and balance of services. Conversion into constant prices is carried out on

adjusted price indices of domestic output and adjusted price indices in foreign trade (Unit Value Indexes - UVI) base.

(78) Income approach: Data on compensations of employees are calculated in a similar way as in output approach of GDP compilation. Data on taxes on production and subsidies on production are received from administrative sources. Consumption of fixed capital in current reproduction costs is estimated on the base of investment asset stocks and on the base of economic lifetime probability for different product categories. Operating surplus/mixed income are balancing items on the generation of income account where the distribution transactions linked with production are registered.

(79) GDP data were converted into constant prices on the base of previous year and into chain-linked volumes with reference year 2000. The first calculation of GDP is performed using current prices. Followed by conversion into average prices of previous year, then by chaining to get data at constant prices level 2000 in accordance with the Eurostat requirements.

(80) Other aspects the difference between the GDP figures calculated by output, expenditure and income approach results from different data sources used for compilation of GDP as well as from worse data availability on quarterly basis. The difference between the output and expenditure approach of GDP is expressed separately as a statistical discrepancy. Income approach is used on comparison results of GDP compilation by output and expenditure approach.

(81) The differences in GDP between annual and quarterly accounts are solved by adjustment (revision) of quarterly national accounts by means of the annual account. Till now 9 fundamental revisions of SNA have been carried out.

(82) Quarterly results are adjusted according to the seasonal influence by the analysis of GDP time series and its components on the base of programming product TRAMO and SEATS in a version inserted in DEMETRA.

3.2. Balancing, benchmarking and other reconciliation procedures

3.2.1. Quarterly GDP balancing procedure

(83) Balancing within QNA is based mainly on acquiring one numeric data for GDP. It is based on data comparison for 3 calculation approaches (production, expenditure, income). In first step on the basis of results for 3 approaches is estimated likely GDP. Subsequently are examined results of estimated data from non-directly acquired sources (e.g. estimate of items acquired from data time series from ANA – e.g.. value added for small entrepreneurs) and data grossing up. With regard to that for GDP calculation by production approach are available most sources, results of this approach are considered as more precise. Balancing is carried out on data in current prices as well as constant prices. Seasonally adjusted data are balanced as well in the way that sum for a year in current and constant prices matches with non-seasonally either seasonally adjusted data.

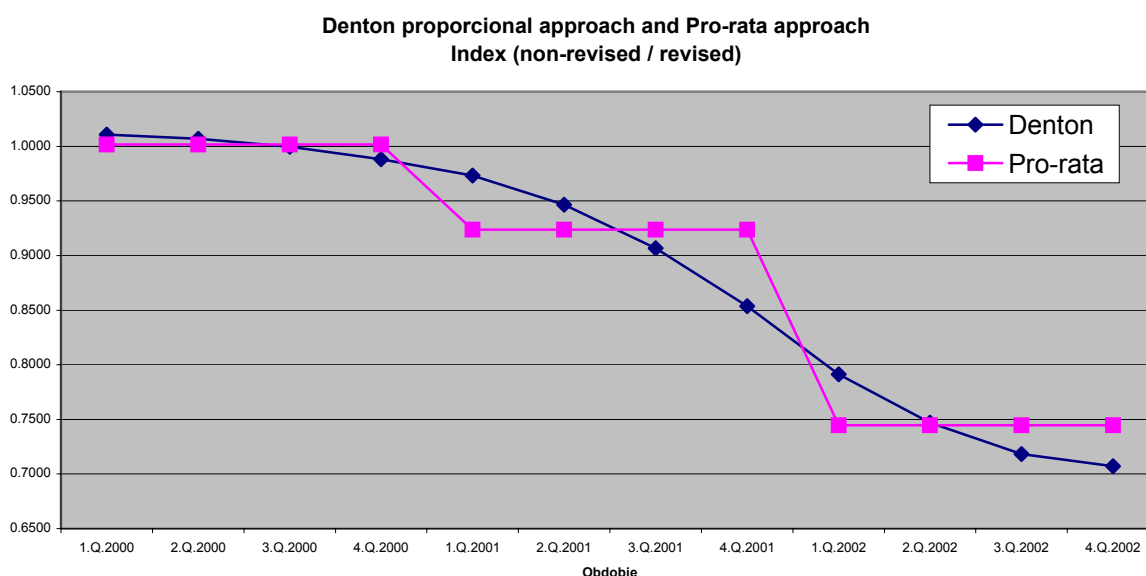
(84) Program Ecotrim was developed by Eurostat for purpose of practical application of mathematical-statistical methods for time disaggregating (process of balancing of

time series with high frequency according to time series with lower frequency, in our case quarterly and annual time series). Ecotrim contains in its offer several methods; most of them are based on Chow-Lin approach i.e. on Random walk model. We have used Chow-Lin approach for revision, but in some cases we have used program Bench, based on Denton proportional approach, which was developed by Statistics of Canada (this software is recommended by IMF).

3.2.2. Benchmarking of QNA and ANA

(85) The use of the benchmarking approaches instead of pro-rata approach was recommended to us because by using of pro-rata approach the Step problem came into revised time series (the Step problem means, that the rate between non-revised and revised data is constant during the year and is changed by step between 4.Q. and 1.Q., see also Graph 1).

Graph 1:



3.2.3. Other reconciliation(s) of QNA different from balancing and benchmarking

(86) The difference between the GDP figures calculated by output, expenditure and income approach results from different data sources used for compilation of GDP as well as from worse data availability on quarterly basis. The difference between the output and expenditure approach of GDP is expressed separately as a statistical discrepancy. Income approach is used on comparison results of GDP compilation by output and expenditure approach.

(87) The differences in GDP between annual and quarterly accounts are solved by adjustment (revision) of quarterly national accounts by means of the annual account. Till now 9 fundamental revisions of SNA have been carried out.

(88) Quarterly results are adjusted according to the seasonal influence by the analysis of GDP time series and its components on the base of programming product TRAMO and SEATS in a version inserted in DEMETRA.

3.3. Volume estimates

3.3.1. General volume policy

(89) Till 3.Q.2007 were GDP data compiled by output and expenditure approach in constant prices with basis 2000=100 (description of calculation is listed in other relevant chapters).

(90) The data time series in the prices of previous year and chain-linked constant prices was at first published on 30 November 2007.

(91) The methodological approach used within the constant price estimates of quarterly national accounts has been fully harmonised with the approach used within the annual national accounts. A several-step procedure has taken place. In the first step the particular indicators of quarterly national accounts have been recalculated into the average prices of the previous year (the previous year is always the base year). Data at the average prices of the previous year have been obtained by deflation of data at current prices by year-on-year price indices, while the weights have been taken always from the previous year. Thus, in particular years the price levels differ and only the quarterly data within the given year are comparable. Data on GDP and its aggregated items expressed at the average prices of the previous year are additive and obtained as the sum of recalculated items (e.g. final consumption expenditures for the given quarter is the sum of final consumption expenditures of households, government and non-profit institutions, while each component is re-valued separately into the average prices of the previous year).

(92) The QNA data at previous year's prices (PYP) have been consequently revised in relation to the annual data at previous year's prices (because the annual data are compiled from more detailed structures as compared to QNA data).

(93) Data at previous year's prices have been used as the starting point for the compilation of year-on-year volume indices (i.e. the ratio of data at PYP and the data at the current prices of the previous year).

(94) The next step is the so-called chaining of volume indices referenced to the year 2000=100. We have used the specific method recommended by Eurostat for QNA, i.e. the annual overlap approach. This method compares the increase in volume of particular quarters with the average period of the previous year. The perfect correspondence of the annual and quarterly indices is the greatest advantage of this method.

(95) The QNA data at prices of the reference year are then obtained by the extrapolation of reference year's figures at current prices by the chained volume indices. All indicators are calculated directly by extrapolation, i.e. the aggregate is not the exact sum of its components (non-additivity).

(96) The advantage of the chain-linking approach of volume indices is that it covers also the structural changes in the economy, which have occurred within the period under observation. The main disadvantage of this method is the non-additivity of data.

3.3.2. Chain-linking and seasonal adjustment

(97) Since the third quarter 2007 we have replaced former used constant prices by chain-linked volumes with reference year 2000 and by constant prices on the base of previous year. Therefore within the Transmission programme we provide Eurostat with unadjusted and adjusted time series of indicators from Table 1 in current and chain-linked prices.

(98) For seasonal adjustment of chain-linked volumes we decided to use direct approach i.e. we adjust separately aggregate and its components. By using the Annual overlap method for chain-linking there is a consistency between unadjusted quarterly chain-linked volumes and independently derived chain-linked annual data. Adjusted chain-linked quarterly volumes are benchmarked to the annual chain-linked volumes by using the benchmarking methods included in the software tool Ecotrim. However the non-additivity of quarterly adjusted aggregates and their components remains as well as this non-additivity is present in unadjusted chain-linked data.

(99) Since before the third quarter 2007 we neither adjusted nor provided the time series in chain-linked prices, it is necessary to make some more testing and adapt the choice of the method for seasonal adjustment of chain-linked volumes to the specific character of indicators time series of our economy. In this respect we cooperate with experts from our statistical and research institution Infostat which were given the task for the year 2008 to explore the impact of recounting to chain-linked volumes on the seasonal pattern in time series of the key QNA variables and thus to analyse various approaches to seasonal adjustment of data not only in chain-linked but also previous-year prices.

3.4. Seasonal adjustment and working day correction

3.4.1. Policy for seasonal adjustment

(100) According to the requirements of Transmission programme ESA 95 we seasonally adjust the time series of QNA indicators in current prices and chain-linked volumes, which are quarterly, provided to Eurostat. During years 2006-2007 we significantly increased the number of provided adjusted series and since third quarter 2007 we replaced the constant prices by chain-linked volumes and previous-year prices.

(101) For the seasonal adjustment we use TRAMO-SEATS method included in the software tool DEMETRA. After testing of possibility of direct and indirect approach for adjustment of aggregates in current prices we have decided to use direct approach for GDP and indirect approach for the rest of aggregates.

(102) New models are compiled for the first quarter of each year and for the rest of the year, when new data are available, we use the same models with re-estimation of the parameters. If there are some methodological changes, revisions or other significant changes of volumes during the year, new models are compiled again.

(103) Besides unadjusted and adjusted QNA data, which we provide Eurostat with, we publish time series of selected key indicators also in the public database SLOVSTAT together with some methodological metadata. The series are compiled

in current prices and chain-linked volumes, in adjusted and unadjusted form and they are quarterly updated. There are aggregates of GDP and its components from the expenditure side (Gross value added, Gross capital formation, Export and Import) and from the side of resources (Gross value added, Taxes less subsidies). From seasonally adjusted indicators of Transmission program ESA95 concerning population and employment; we publish aggregate of Total employment as a flash estimate (together with GDP) on the web portal of SO SR.

(104) Adjusted as well as non-adjusted aggregates of the flash estimate (GDP and Total employment) are published on our web portal and provided to Eurostat within 42-45 days and all the rest of QNA transmitted data within 62-64 days after the end of reference quarter. Then within 10 days after transmission to Eurostat the database SLOVSTAT is regularly updated by the data mentioned above.

3.4.2 Policy for working-day correction

(105) By the seasonal adjustment the calendar effect correction is included in seasonal adjustment in the case of statistical significance. Because the New transmission programme of ESA 95 data requires to provide not only seasonally adjusted data but also separately working-day adjusted data, we are planning to transmit aggregates of GDP and Gross value added in working-day adjusted form since the fourth quarter 2007. Since we have not analysed separate calendar effect yet, it will be necessary to test different approaches. This task is also co-operated with the experts from Infostat which help us to solve methodological problems of seasonal analysis.

Chapter 4 GDP and components: the production approach

GDP according to the production approach

(106) Production approach is the basic method within the framework of the compilation of national accounts. In tables below, the value added for 2006 by quarters is presented by production approach and NACE categories. After inclusion of net taxes on products and subventions we achieve GDP at market prices.

Value added for 2006 by NACE and GDP by production approach

Table 4.1

in mill. SKK

GDP by production approach

| | Gross Output P.1 | Int. Consump. P.2 | Gross Value Added B.1g | Taxes on products D21 | Subsidies on products D31 | GDP B.1*g |
|-------------|---------------------|----------------------|------------------------------|--------------------------|------------------------------|------------------|
| I.Q | 859 001 | 528 083 | 330 918 | 39 668 | -1 751 | 368 835 |
| II.Q | 936 301 | 573 563 | 362 738 | 43 630 | -2 597 | 403 771 |
| III.Q | 966 730 | 583 575 | 383 155 | 47 864 | -6 140 | 424 879 |
| IV.Q | 1 088 961 | 686 040 | 402 921 | 50 080 | -14 223 | 438 778 |
| 2006 | 3 850 993 | 2 371 261 | 1 479 732 | 181 242 | -24 711 | 1 636 263 |

Table 4.2

GVA for year 2006 by quarters as well as by categories NACE

in mill.

SKK

| | 1Q 2006 | 2Q 2006 | 3Q 2006 | 4Q 2006 | 2006 |
|------------|----------------|----------------|----------------|----------------|------------------|
| A,B | 11 775 | 13 438 | 18 641 | 14 723 | 58 577 |
| C | 1 703 | 1 994 | 1 931 | 2 090 | 7 718 |
| D | 74 074 | 78 428 | 85 423 | 86 757 | 324 682 |
| E | 25 492 | 17 659 | 20 069 | 19 871 | 83 091 |
| F | 20 936 | 23 567 | 26 640 | 30 801 | 101 944 |
| G | 45 620 | 65 784 | 63 789 | 54 479 | 229 672 |
| H | 4 190 | 5 386 | 5 501 | 5 043 | 20 120 |
| I | 32 309 | 34 018 | 37 606 | 42 345 | 146 278 |
| J | 15 720 | 16 086 | 16 844 | 14 673 | 63 323 |
| K | 51 695 | 52 651 | 51 082 | 61 585 | 217 013 |
| L | 13 969 | 17 272 | 20 623 | 28 010 | 79 874 |
| M | 12 473 | 13 556 | 12 830 | 17 072 | 55 931 |
| N | 12 494 | 13 846 | 12 743 | 13 985 | 53 068 |
| O | 8 468 | 9 053 | 9 433 | 11 487 | 38 441 |
| P | 0 | 0 | 0 | 0 | 0 |
| B1g | 330 918 | 362 738 | 383 155 | 402 921 | 1 479 732 |
| D21-D31 | 37 917 | 41 033 | 41 724 | 35 857 | 156 531 |
| GDP | 368 835 | 403 771 | 424 879 | 438 778 | 1 636 263 |

The reference framework

(107) The main independent approach within the compilation of national accounts, and thus within the quantification of GDP, is the production approach. In parallel, also the expenditure approach is used, which is important for the balancing of the system. The income approach is not an independent method; the operating surplus is obtained as a residuum. The structure of the system of quarterly national accounts is formed by comprehensive accounts and sector accounts. The basic components of the structure of sector accounts are institutional sectors, transaction types and the sequence of accounts. The compilation is based on the Regulation of the SOSR as of 8 December 2000 (Collection of Laws No. 449/2000), by which the classifications of assets, balancing items, transactions and other flows and of the institutional sectors and sub-sectors in the system of national accounts of the SR are declared, the basic components of the structure of quarterly accounts by sector are presented. Both, the compilation of sector accounts and main aggregates GDP by institutional sectors form the base for the estimation of the annual aggregate of GDP. Economic entities in the SR, institutional units and establishment units are to be considered as statistical units, which provide the information on flows with goods and services, together with the information of income, expenditure and financial flows and stocks. Within the production approach, the Register of Organisations is used as the main one. The basic methodological framework for statistical registers, maintained by the SOSR, is formed by both, the EU Council Regulation No. 2186/93 and the EU Council Regulation No. 696/93, together with the recommendations from Eurostat.

(108) All activities related to the maintenance of registers are carried out in the complex methodology department of the SOSR. On 31 December 2005, nearly 425 000 enterprises, 560 000 legal units, 435 000 local units and 32 000 establishment units (KAUs) were registered. The SOSR maintains mainly the following registers:

- Register of Organisations,
- Register of Farms,
- Registrar of Accommodation Facilities,
- Register of Census Districts,
- Register of Spatial Units.

(109) The **Register of Organisations** records the economic entities – legal entities, which are assigned by the identification number (ICO) in accordance to the specific legal rules. Legal units of an enterprise type are broken down into legal entities (business entities registered in the Business Register) and physical persons – entrepreneurs (sole traders, free lancers and self-employed farmers). To each legal unit corresponds a sole record in the Register of Organisations (the double counting is eliminated), which consists from identification, classification and localisation items. The unambiguous identification of units in the Register of Organisations is ensured by the means of the identification number. The basic principles related to the technological aspect of updating of the Register of Organisations follow the legal system of the compulsory registration of legal units. The government bodies, which are responsible for the initial registration of legal units, are obliged to provide the

SOSR with basic information related to the inception, whatever change or the forfeiture of units. The mentioned duty results from the relevant Acts of Law.

(110) The **Business Register** is a public list, in which according to the Law the data related to entrepreneurs, possibly other persons under a specific Law, are recorded. For the following institutions it is obligatory to register in the Business Register: trading companies (joint-stock companies, public trading companies, partnerships, and limited companies), co-operatives and other legal entities under a specific Act of Law. The registration courts are responsible for registration. Physical persons residing in the territory of Slovakia, who

- make business activities based on the permit on sole trading,
- make business activities based on a permit under specific rules other than the permit on sole trading, or
- carry out agricultural production and are registered according to a specific rule,

are registered in the Business Register based on their own application or based on the declaration resulting from a specific regulation. The Business Register records also foreign persons. Those are physical persons living outside the territory of the SR or legal entities residing apart of Slovakia, whose enterprise or its organisational unit is located in the Slovak territory.

(111) Sole Trade Licensing Offices are responsible for the registration of physical persons into the **Sole Trading Register**. The registration entitles the relevant physical person to carry out business activity according to the Law on Sole Trading. Profession chambers issue licences to physical persons making business according to the specific legal rules (lawyers, surgeons etc). The ministries and other government bodies are responsible for the initial registration of legal units carrying out the non-business activities (associations, non-profit organisations, foundations, schools, hospitals and government institutions).

(112) Since 1993, all above mentioned institutions have step-by-step belonged to stable – legal administrative data sources for the updating of the Register of Organisations. Based on the information, which the SOSR receives from them, a continuous daily updating of the central register of organisations is being made. In practise this process is performed at the level of Regional Statistical Offices, which ensure the information take-over and its processing by the means of on-line connection with the central register.

(113) During the primary registration all legal units are assigned by an identification number, which the SOSR creates for this purpose and which is submitted to the relevant government bodies (the SOSR provide both, the physical persons making business according to special legal rules and the legal units carrying out the non-business activities, with the identification number directly). The use of an unambiguous identification number allows the subsequent automated take-over and utilisation of data when updating the central register of organisations. To basic identification, classification and location data, being obtained by the SOSR from the government bodies responsible for the primary registration of legal units, belong the following:

1. identification number (ICO)
2. legal form
3. business name
4. residence address
5. date of inception, date of change, date of forfeiture
6. description of activities, which the given unit is entitled to perform

(114) Before the end of each calendar year, the central administrator of the Register of Organisations carries out a central updating what is part of an overall maintenance of the register. The aim of central updating is to prepare the high quality starting-point register status and consequently to perform – according to the criteria stated in advance – selections of units for statistical surveys, which will be pursued next year. Basic rules for the generation and updating of the register of statistical units and the sets of reporting units for the particular surveys are stated in the „Rules for updating and use of the Register of Organisations and the Register of Establishments“, valid from 20 August 2000. All economically active units and enterprises, registered in the Register of Organisations represent the register of statistical units, which is the base for the generation and updating of the sets of reporting units. Register of statistical units is generated regularly as of 1 January of the given calendar year.

(115) The sets of reporting units are groups of statistical units, for which the statistical surveys are carried out. From the register of statistical units, the statistical units are selected in accordance to basic and further criteria; consequently the statistical units become the reporting units for particular types of statistical surveys. Among the basic selection criteria belong the following items: type of statistical unit, kind of main economic activity, size category by the number of employees, turnover and the institutional sub-sectors by ESA95. In addition to these items, it is possible, if necessary, to use also other items of the register of statistical units, e.g. type of ownership, region etc. Only those newly-arisen statistical units from the Register of Organisations are included into the generated register of statistical units, which are significant for the given branch (by the number of employees, amount of output) or they have been established as the successive organisations within the transformation of already existing units included into the quarterly survey (a quarterly questionnaire of productive branches Prod 3-04, for enterprise with the number of employees 20 and more). Other newly established units are ranked only into the Register of Organisations. The Register of Organisations records also data on internal organisational units – establishment units and LKAUs. Data from statistical surveys and administrative data from the information systems of the Social Insurance Company and the Tax Authority of the SR belong among the basic data sources used within the central updating of the Register of Organisations.

(116) **Register of Establishments** is a separate list of establishment units (KAUs), developed for purposefully delineated sub-set of enterprises – legal entities. One enterprise can have several records in the Register of Establishments. The identification number of an enterprise and the 3-digit sequence number of an establishment unit ensure the unambiguous identification of establishment units. The local kind-of-activity unit is represented by the establishment unit (hereinafter ZJ). This establishment unit needn't necessarily be an independent legal unit. The establishment unit carries out prevalingly a homogenous activity at one location and

keeps its own information system. It is prerequisite that at least data on output, intermediate consumption, compensation of employees, inventories, fixed capital and number of employees should be available. The establishment unit allows the description and analysis of production-consumption relations. The establishment units are delineated only for sector of non-financial corporations and for its sub-sectors.

Valuation

(117) All flows and stocks recorded in quarterly sector accounts are expressed in monetary units at current prices. Flows are recorded according to the accrual principle, except for the sector of government. Data used for the compilation of output are surveyed at basic prices (in the same way the book-keeping system of enterprises is constructed). Data for the calculation of intermediate consumption are surveyed at purchaser's prices. An overview of valuation of output and intermediate consumption by particular sectors is to be found in table 3, where ZC are basic prices, CO stands for purchaser's prices and VN corresponds to production (factor) costs.

Overview of valuation

Table 4.3

| | S.11 | | S.12 | | S.13 | | S.14 | | S.15 | |
|---|------|----|------|----|------|----|------|----|------|----|
| | ZC | CO | ZC | CO | VN | CO | ZC | CO | VN | CO |
| Output (P.1) | x | | x | | x | | x | | x | |
| - market (P.11) | x | | x | | x | | x | | | |
| - for own final use (P.12) | x | | | | x | | x | | | |
| - other non-market (P.13) | | | | | x | | | | x | |
| Intermediate consumption (P.2) | | x | | x | | x | | x | | x |
| P13-04 (0-19 employees) | | x | | | | | | | | |
| Prod 3-04 ZAV (20 and more employees) | | x | | | | | | | | |
| - except consumption of material, energy and services purchased or taken over from other establishment units within the enterprise 1) | x | | | | | | | | | |

1) in P.1, the indicator „Sale and delivery of goods and services to other establishment units within the enterprise” is recorded. These types of indicators are recorded only in such enterprise, which has 2 or more establishment units and are valued in the same way, i.e. at basic prices. When calculating value added for these indicators within the enterprise for the time period under observation, the value added is equal to 0.

Transition from private accounting and administrative concepts to ESA95 national accounting concepts

(118) In the state statistical questionnaires this task is assured in such a way that the reporting unit receives in items presented in the statistical questionnaire a precise definition of indicators in compliance with the ESA95 methodology. In the methodological explanations related to respective items of the questionnaire, the transformation from the bookkeeping system of relevant institutional units into

national accounts is ensured by references to the relevant accounts. In case that the accounts of organisation are not in line with the requirement, the organisation is obliged to break the data down, in more complicated cases also the qualified estimate is accepted. This approach is used also for the verification of data originating from administrative sources. The above-mentioned description is valid for S.11, S.12 – for non-banking entities and auxiliary financial institutions and for S.15. The items for the calculation of the production of banks and insurance institutions and for the calculation of intermediate consumption of banks are taken over from accounting and banking statements without any other changes. For the transformation of codes for income and expenditure sub-items of the budgetary classification into the SNA transactions in S.13, the transformation bridges were developed.

(119) The particular items in questionnaires Prod3-04 a P13-04 - for intermediate consumption and output are compiled in line with the ESA 95 methodology, except for the items, by which the output and intermediate consumption are adjusted. In terms of output, the holding gains and losses, underestimated output, subsidies on products, tips in services, increase of the standing timber and the output of dwelling services are in question. The intermediate consumption is adjusted by the holding gains and losses, payments for financial services related to non-life insurance, capitalisation of costs on development, costs on the overestimated intermediate consumption, borderline data between the fixed assets and intermediate consumption and allocated FISIM and leasing. Insurance service charges (which actually represent the insurance output) are allocated into intermediate consumption of sectors in proportion to the structure of premiums payable by these sectors, being obtained directly from insurance companies.

(120) Other adjustments related to S.11 and S.14 have to be done due to the fact that the Law on accounting does not guide the units unambiguously on the recording of imported goods intended for inward processing regime. Part of units included imported goods into their book keeping system correctly, i.e. after inward processing regime they invoiced goods plus costs incurred on inward processing regime. Another part of units recorded imported goods in the auxiliary records, i.e. after inward processing regime only costs incurred on this regime were recorded and into the national accounts only that part of costs was included, which corresponded to the „work at wage“ (for detailed description see relevant chapter). The problem is being solved by the introduction of a new module on inward processing regime. The new values related to this are incorporated within the revision process.

(121) According to ESA95 methodology, the borderline for the inclusion of durable intangible and tangible assets is the sum amounting to 20 000 SKK, in contrast to valid legal standards of the SR (§22 from the Law No. 595/2003 on income tax), which state the borderline at the level of 50 000 SKK for the inclusion of intangible assets and 30 000 SKK for the inclusion of tangible assets. The assigning intermediate consumption items to capital ensure the compliance with the ESA95 methodology. The required data are provided by the module being newly incorporated into the statistical survey from the year of validity of the above-mentioned law.

(122) In the sector of households the output is furthermore adjusted by data on underestimated output, drugs, prostitution, tips, purchases without receipts, output for

own final use and by information on holding gains and losses. In terms of intermediate consumption we adjust the overheads by the purchase of fixed assets. Data on intermediate consumption are furthermore completed by overestimation of costs, intermediate consumption related to drugs and prostitution, intermediate consumption in connection with output for final use, holding gains and losses , FISIM and leasing.

The roles of direct and indirect estimation methods

(123) Data by OKEC or institutional sector used for direct estimation methods are presented in the table 31, where SZ – statistical survey AZ – administrative data source.

Sources for the direct calculation of output and intermediate consumption by OKEC

Table 4.4.

| Division/Sector | Output | Intermediate consumption |
|--|----------------------|--------------------------|
| A 01,02 Agriculture,Forestry | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| B 05 Fishing | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| C 10-14 Mining and quarrying | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| D 15-37 Manufacturing | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| E 40-41 Electricity, gas and water supply | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| F 45 Construction | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| G 50-52 Wholesale and retail trade; Repair of motor vehicles, motorcycles and personal and household goods | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| H 55 Hotels and restaurants | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| I 60-64 Transport, storage and communication | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| J 65-67 Financial intermediation | SZ (S.12), AZ (S.14) | SZ (S.12), AZ (S.14) |
| K 70-74 Real estate, renting and business activities | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| M 80 Education | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| N 85 Health and social work | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| O 90-93 Other community, social and personal service activities | SZ (S.11), AZ (S.14) | SZ (S.11), AZ (S.14) |
| General government S.13 | AZ (S.13), AZ (S.15) | AZ (S.13), AZ (S.15) |
| NPISH S.15 | AZ (S.13), AZ (S.15) | AZ (S.13), AZ (S.15) |

Data by OKEC or institutional sector used for direct estimation methods are presented in the table X, where SZ – statistical survey AZ – administrative data source.

(124) The use of indirect methods for the compilation of sector accounts is presented by sectors in the following table:

Indirect method of the calculation of output and intermediate consumption

Table 4.5

| Sector | Indicator |
|---------------------------|---|
| Sector of households S.14 | drugs |
| Sector of households S.14 | prostitution |
| Sector of households S.14 | purchases less receipts |
| Sector of households S.14 | agricultural production P.12 |
| Sector of households S.14 | imputed rent |
| Sector of NISH S.15 | shortages and losses on inventories |
| Sector of NISH S.15 | other costs |
| Sector of NISH S.15 | data for units, which are not obliged to submit the accounting statements |

The roles of benchmarks and extrapolation

(125) Data sources for the production approach per particular are available regularly each quarter (by the means of quarterly statistical surveys and from administrative sources). The extrapolation is used only in case of enumeration of the amount of drugs, prostitution and purchases without receipts.

The main approaches taken with respect to exhaustiveness

(126) In terms of the assurance of exhaustiveness in each sector, both, the grossing-up and imputations to the total population are done as the first steps. In the following table a brief overview on the assurance of exhaustiveness within the framework of production approach is presented.

Grossing-up to exhaustiveness within the production approach

Table 4.6

| Items | S.11 | S.12 | S.13 | S.14 | S.15 |
|---|------|------|------|------|------|
| Underestimation | X | | | X | |
| Overestimation | X | | | X | |
| Standing timber | X | | | | |
| Sales without receipt N1 | | | | X | |
| Registered -not found out N5 | | | | X | |
| Tips | X | | | X | |
| Drugs | | | | X | |
| Prostitution | | | | X | |
| Agric. production for own final use | | | | X | |
| Own account production of houses, huts, garages | | | | X | |

4.1. Gross value added, including industry, breakdowns

Sources and methods for estimation of output, per NACE aggregate at level used for data collection and compilation

(127) Growing of crops, value information;

Output growing of crops estimated by volume projection using same quarter previous year as base year and using information on areas in use as basis. Information about areas in use is collected by ministry of agriculture. Volumes are inflated with price indices to estimate the values.

(128) Agriculture, hunting and related service activities

Sources:

PROD 3-04 statement – the statement is the output from quarterly processing. The statement deals with enterprises with 20 and more employees (combined survey: sample survey is used for enterprises from 20 up to 99 employees and exhaustive survey is used for enterprises with 100 and more employees). This source covers 58 % of the output of NACE 01 and represents 790 enterprises P 13-04 statement - the statement is the output from quarterly processing.

The statement deals with small enterprises up to 19 employees (sample survey). This source covers about 10 % of the output of NACE 01.

Annual treatment of Annexes to tax declarations is another source for our estimates. It is provided by Ministry of Finance of SR. It includes private farmers farming as physical persons. We do quarterly estimates based on this source. The estimates cover about 19 % of the output of NACE 01 and represents about 10 000 private farmers.

Farm Structure Census – the last one was done in 2001. Based on the census we do quarterly estimates of agricultural output for households consumption that covers about 24 % of NACE 01 output. It represents 794500 households, which own about 6,8 a of landed property.

Methods:

The sum of the output volumes obtained from four sources mentioned above is the total volume of NACE 01 output.

NACE 01 - 16 cover about 3 % of total economy output.

Output revaluation to constant prices is made by agricultural and forestry price indexes.

(129) Mining of coal and lignite; extraction of peat, Extraction of crude petroleum and natural gas, Mining of metal ores, Other mining and quarrying

Sources:

PROD 3-04 – this source covers 96 % of output of listed NACEs. It represents about 40 enterprises.

P 13-04

Annual treatment of Annexes to tax declarations

Methods:

The sum of the outputs obtained from three sources mentioned above is the total output volume of NACE 10, 11, 13, and 14. NACE 10 - 16 cover about 1 % of industry output.

Output revaluation to constant prices is made by PPI price indexes for appropriate NACE.

(130) Manufacture of food products and beverages, Manufacture of tobacco products

Sources:

PROD 3-04 – this source covers about 85 % of output of NACE 15 and 16 and it represents about 330 corporations.

P 13-04 – it covers 5 % of listed NACEs.

Annual treatment of Annexes to tax declarations

Self-employed persons cover 10 % of total output of listed NACEs.

Methods: The sum of three sources mentioned is the total output of listed NACEs. NACE 15 and 16 cover about 6 % of industry output.

Output revaluation to constant prices is made by PPI price indexes for appropriate NACE.

(131) Manufacture of coke, refined petroleum products and nuclear fuel, Manufacture of chemicals and chemical products, Manufacture of rubber and plastic products

Chemical manufacture is represented by NACE 23, 24, and 25 and covers about 14 % of industry output.

Sources:

PROD 3-04 covers about 95 % of chemical manufacture and is represented 180 corporations 16 of which have more than 500 employees.

P 13-04

Annual treatment of Annexes to tax declarations

Methods The sum of three sources mentioned is the total output of listed NACEs.

Output revaluation to constant prices is made by PPI price indexes for appropriate NACE.

(132) Manufacture of basic metals, Manufacture of fabricated metal products, except machinery and equipment

NACE 27 and 28 cover 13 % of industry.

Sources:

PROD 3-04 covers 87 % of output represented by NACE 27 and 28 and includes 360 corporations.

P 13-04

Annual treatment of Annexes to tax declarations

Physical persons (self-employed) ensure about 12 % of output performed in NACE 28 basically.

Methods

The sum of three sources mentioned is the total output of listed NACEs
Output revaluation to constant prices is made by PPI price indexes for appropriate NACE.

(133) Manufacture of machinery and equipment n.e.c.

Manufacture of office machinery and computers

Manufacture of electrical machinery and apparel

Manufacture of radio, television and communication equipment and apparatus

Manufacture of medical, precision and optical instruments, watches and clocks

Manufacture of motor vehicles, trailers and semi-trailers

Manufacture of other transport equipment

Engineering is represented by NACEs 29 – 35 and covers about 36 % of industry.

Sources:

PROD 3-04 – enterprises with 20 and more employees cover 95 % of engineering 63 % of which is manufacture of transport vehicles and equipment. 500 corporations represent the source.

P 13-04

Annual treatment of Annexes to tax declarations

Methods

The sum of three sources mentioned above is the total output of listed NACEs
Output revaluation to constant prices is made by PPI price indexes for appropriate NACE.

(134) Electricity, gas, steam and hot water supply, Collection, purification and distribution of water

NACE 40 and 41 cover 16 % of industry output.

Sources:

PROD 3-04 covers about 95,5 % of output of NACE 40 and 41. Output is realized by about 100 corporations.

P 13-04

Annual treatment of Annexes to tax declarations

Methods

The sum of three sources mentioned above is the total output of listed NACEs.
Output revaluation to constant prices is made by PPI price indexes for appropriate NACE.

(135) Construction

Sources

PROD 3-04 covers about 44 % of gross output of construction and comprises about 700 corporations only 7 of which have more than 500 employees.

P 13-04 enterprises with up to 19 employees cover 13 % of construction output

Annual treatment of Annexes to tax declarations - Output of self-employed persons cover about 28 % of total output volume of construction and is represented by 56 000 physical persons (self-employed).

Self-support in construction means construction output carried out by households for themselves. The estimates are based on statistics of built villas, numbers of flats in villas and needful repairs. Volume of this production covers 15 % of total output of construction.

Methods

The sum of four sources mentioned above is the total output of construction NACE. Output of NACE 45 covers 7% of total economy.

Output revaluation to constant prices is made by construction price indexes.

(136) Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel, Wholesale trade commission trade except of motor vehicles and motorcycles, Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods

Output of NACE 50-52 cover 12 % of total economy.

Output of trade means receipts less purchased goods.

Sources

PROD 3-04 – big enterprises cover 30 % of gross output of trade. It comprises about 2 200 corporations 18 of which have more than 500 employees.

P 13-04 - enterprises with up to 19 employees cover 22 % of trade output.

Annual treatment of Annexes to tax declarations – physical persons (self-employed) cover 44% of total trade output. 110 000 self-employed persons are registered.

Hidden economy – estimate is based on Infostat (= research institution of SOSR) study and achieves 4 % share.

Methods

The sum of four sources mentioned above is the total output of trade.

Output revaluation to constant prices is made by CPI price indexes for appropriate NACE.

(137) Hotels and restaurants

Sources

PROD 3-04 – big enterprises cover 30 % of output of NACE 55. It comprises about 270 corporations 5 of which have more than 250 employees.

P 13-04 covers about 12 % of whole output of NACE 55.

Annual treatment of Annexes to tax declarations – physical persons (self-employed) cover 58% of output of NACE 55. 16 000 self-employed persons are registered.

Methods

The sum of three sources mentioned above is the total output of NACE 55.

Output of NACE 55 covers 1 % of total economy.

Output revaluation to constant prices is made by CPI price indexes for appropriate NACE.

(138) Land transport; transport via pipelines, Water transport, Air transport, Supporting of auxiliary transport activities; activities of travel agencies

Sources

PROD 3-04 covers 75 % of output of transport (NACE 60 – 63). It comprises about 300 corporations.

P 13-04 covers 6 % of whole output of transport (NACE 60 – 63).

Annual treatment of Annexes to tax declarations – physical persons (self-employed) cover about 16% of output of NACE 60 - 63. 15 000 self-employed persons are registered.

Output of NACE 60-63 cover 7 % total economy.

Hidden economy – there is estimated 3% of transport output as hidden economy.

Methods

The sum of four sources mentioned above is the total output of transport

Output revaluation to constant prices is made by CPI price indexes for appropriate NACE.

(139) Post and telecommunications

Output of NACE 64 covers 2 % of total economy.

Sources

PROD 3-04 covers 99,5% of objective NACE output. It comprises 25 corporations.

Annual treatment of Annexes to tax declarations – physical persons (self-employed) cover 0,5% of output of NACE 64. 230 self-employed persons are registered.

Methods

The sum of two sources mentioned above is the total output of NACE 64

Output revaluation to constant prices is made by CPI price indexes for appropriate NACE.

(140) Financial intermediation services including insurance and pension funding (except compulsory social security) and activities auxiliary to financial intermediation

Output of NACE 65-67 covers 3 % of total economy

The item called Financial Intermediation is an aggregate of NACEs 65-67.

Sources and methods:

NACE 65 (sector of banks)

Pen 3a-04 statement covers NACE 65.

Output is calculated as a sum of following items:

Charges and commissions received (excluding National Bank of Slovakia) and
FISIM

(141) **The calculation of FISIM and its allocation into the user sectors in the Slovak Republic** is based on the 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).

The total value of FISIM equals the sum of FISIM from deposits and FISIM from loans estimated for all particular institutional sectors, which are using the services of financial intermediaries creating FISIM. The sub-sectors S.122 – other monetary financial institutions and S.123 – other financial intermediaries are assumed to be the creators of FISIM. National Bank of SR (S.121), investment funds and insurance corporations are not included into FISIM. In line with the new methodology the volume of its operating costs and service charges measures the output of the National Bank of SR (NBS thereafter). The total output of central bank is allocated into intermediate consumption of the sub-sector other monetary financial institutions (S.122), i. e. into the intermediate consumption of commercial banks.

The procedure for the estimation of FISIM is:

$$\text{FISIM} = \text{FISIM}_p + \text{FISIM}_v$$

$$\text{FISIM}_p = R_p - P \cdot R$$

$$\text{FISIM}_v = V \cdot R - R_v$$

where

FISIM = total FISIM,

- The total value of FISIM equals to the sum of FISIM from deposits and FISIM from loans estimated for individual institutional sectors, which are using the services of financial intermediaries creating FISIM.

FISIM_p = FISIM from loans,

- FISIM from loans is estimated as real interests obtained from loans decreased by the average volume of given loans multiplied by reference interest rate.

FISIM_v = FISIM from deposits

- FISIM from deposits is estimated as the average volume of raised deposits multiplied by reference interest rate decreased by real interests paid for deposits.

R = reference interest rate in the sense of method 1 by the Council Regulation 448/98 is calculated as the ratio of interests received from loans between S.122 and S.123 and the volume of loans between S.122 and S.123 (the interests from shares are not included) [IRR= internal reference interest rate, ERR=external reference interest rate]

P = the average volume of loans given

V = the average volume of raised deposits

R_v = real interests paid for deposits

Calculation of the output of internal FISIM:

in mill units national currency = in MIO Sk, in current prices

| Loans | | | | Deposits | | | | FISIM total |
|--------------------|--|--------|--------------------|-----------------------|--|-------|--------------------|-------------|
| P (Loan Stocks) | R _p (Interest receivable on loans) | P *IRR | FISIM _p | V (Deposit Stocks) | R _v (Interest payable on deposits) | V*IRR | FISIM _v | |
| 1 | 2 | 3 | 4(2-3) | 5 | 6 | 7 | 8(7-6) | 9(4+8) |

Calculation of the output of external FISIM:

in MIO

Sk, in current prices

| Loans | | | | Deposits | | | | FISIM total |
|--------------------|--|--------|--------------------|-----------------------|--|-------|--------------------|-------------|
| P (Loan Stocks) | R _p (Interest receivable on loans) | P *ERR | FISIM _p | V (Deposit Stocks) | R _v (Interest payable on deposits) | V*ERR | FISIM _v | |
| 1 | 2 | 3 | 4(2-3) | 5 | 6 | 7 | 8(7-6) | 9(4+8) |

As far as THE EXTERNAL FISIM is concerned, only export is calculated based on external reference rate, because of problems with data availability for import calculation (deposits of residents abroad).

The compilation of quarterly FISIM for 2006 was based on the data sources from the National Bank of Slovakia (NBS). The NBS has available data in the required breakdown related to deposits and loans as well as to interest rates and constitutes hundred-percentage data source.

Data used for calculation of internal FISIM are divided into the following sectors:

- Non-financial corporations (S.11)
- Financial corporations (S.123, S.124)¹
- Insurance companies (S.125)
- Government (S.13)
- NPISHs (S.15: non-profit institutions serving households)
- Households(tradesmen) (S.14)
- Households (consumers) (S.14).

There is a possibility of the following break down of sectors into sub-sectors:

- break down of the non-financial corporations and financial corporations: public, national private, foreign controlled,
- as well break down of the financial corporations: other financial intermediaries, except insurance corporations and pension funds (S.123), financial auxiliaries (S.124) and insurance corporations and pension funds (S.125),
- break down of the general government: central government (S.1311), local government (S.1313) and social security funds (S.1314),
- intermediate consumption of households in their capacity as owners of dwellings is possible to evaluate on the basis of dwelling loans stocks.

Data used for calculation of external FISIM is possible to divide as follows:

- the Member States of European Monetary Union and European Central Bank
- other EU Member States outside EMU and EU Institutions
- third countries and international organisations

The allocation of FISIM into the user sectors is mainly based on the following sources from the National Bank of Slovakia (NBS):

- *Monthly profit and loss account Bil (NBS) 2-12 for monetary institutions (To date: 31st March 2006, 30th June 2006, 30th September 2006 and 31st December 2006),*
- *Monthly report of assets and liabilities Bil (NBS) 1-12 for monetary institutions (To date: 1st January 2006, 31st January 2006, 28th February 2006, 31st March 2006, 30th April 2006, 31st May 2006, 30th June 2006, 31st July 2006, August 2006, 30th September 2006, 31st October 2006, 30th November 2006 and 31st December 2006),*
- *Quarterly report on interest cost and yields V (NBS) 13-04 (To date: 31st March 2006, 30th June 2006, 30th September 2006 and 31st December 2006),*
- *Monthly report of deposits and received loans V (NBS) 5-12 (To date: 1st January 2006, 31st January 2006, 28th February 2006, 31st March 2006, 30th April 2006, 31st May 2006, 30th June 2006, 31st July 2006, August 2006, 30th September 2006, 31st October 2006, 30th November 2006 and 31st December 2006),*

¹ Sub-sector S.123, S.124 as a consumer (user) of FISIM

- *Monthly report of full sector classification of loans V (NBS) 33-12 (To date: 1st January 2006, 31st January 2006, 28th February 2006, 31st March 2006, 30th April 2006, 31st May 2006, 30th June 2006, 31st July 2006, August 2006, 30th September 2006, 31st October 2006, 30th November 2006 and 31st December 2006),*
- *additional background materials from bank statistics to the extent of available data sources.*

Revision of FISIM for 2006 is based on the annual calculation of FISIM.

A null FISIM allocation in line with the above-mentioned FISIM's regulations, i.e. the allocation into the intermediate consumption of nominal sector was replaced by **the allocation into the users' sectors in the Slovak Republic**. Usage of FISIM is already not recorded only as intermediate consumption by convention, but also it can be recorded as final consumption and export. **Allocation of FISIM into user sectors influenced the GDP size.**

The procedure of FISIM allocation to user sectors for three approaches of GDP compilation as well as transit item of transition from GDP to GNI according to the above-mentioned Regulation is being performed as follows:

- Production of FISIM is recorded on the side of resources for the sector of ROW (S.2) in goods and services account (item P.7 ²“imports of goods and services”) and in allocation of primary income account (item D.41 “Interest”), as well as for the sub-sectors S.122 and S.123 in production account and in allocation of primary income account (item D.41 “Interest”). On the use side it is recorded in the sub-sectors S.122, S.123 and S.2 in allocation of primary income account (item D.41 “Interest”).
- Use of FISIM is recorded on the side of resources for the sector of non-financial corporations (S.11), for sector S.12 except the creators of FISIM and the NBS, for the sector of general government (S.13), sector of households (S.14), sector of non-profit institutions serving households (S.15) and S.2 in allocation of primary income account (item D.41 “Interest”) and for S.13 and S.15 in production account (item P.1 “Production”). On the use side it is recorded in S.11, sector S.12 except the creators of FISIM and the NBS, S.13, S.14, S.15 and S.2 in allocation of primary income account (item D.41 “Interest”) and in production account (item P.2 “Intermediate consumption”). Further uses of FISIM is recorded for S.13, S.14 and S.15 in use of income account (item P.3 “Final consumption expenditure”) and for S.2 in goods and services account (item P.6 “Exports of goods and services”)

Within the transition from GDP to GNI FISIM is recorded in item D.4 “Property income received/paid from/to the rest of the world”. The procedure of estimation of particular values is as follows: interests received from the ROW are adjusted by FISIM from loans of S.2 and interests paid to the ROW are adjusted by FISIM from deposits of S.2.

² Item P.7 equals to zero at present due to missing data for Import FISIM. The same principle refers to the item D.41 “Interest” for IMPORT FISIM.

The adjustment of interest resulting from the FISIM allocation has been done in the user's sectors on the basis of the share of particular sub-sectors in the total value of interest on the supply side and well as on the use side.

The allocation of FISIM among user industries is based on the stocks of loans and deposits for each industry (the basis of the share of FISIM of particular branches to the total FISIM) and it's recorded in two-digit level of the NACE rev.1.1 till Year 2007. Since Year 2008 the allocation of FISIM among user industries in current prices is recorded in line with two-digit level of the NACE rev.2.

The allocation of FISIM among user industries is mainly based on the following sources from the National Bank of Slovakia (NBS):

Monthly report of deposits and received loans by branch classification of economic activities V (NBS) 51-12 (To date: 31st January 2006, 28th February 2006, 31st March 2006, 30th April 2006, 31st May 2006, 30th June 2006, 31st July 2006, August 2006, 30th September 2006, 31st October 2006, 30th November 2006 and 31st December 2006),

Monthly report of loans by branch classification of economic activities V (NBS) 51-12 (To date: 31st January 2006, 28th February 2006, 31st March 2006, 30th April 2006, 31st May 2006, 30th June 2006, 31st July 2006, August 2006, 30th September 2006, 31st October 2006, 30th November 2006 and 31st December 2006).

These reports are compiled to date 1st January since Year 2008.

Regarding to constant prices - FISIM is included in calculation at constant prices on the base of previous year and at chain-linked volumes with reference year 2000.

(142) Insurance companies and pension funds:

The output of insurance services and pension funds is calculated in line with ESA95 formula separately for life insurance services, non-life insurance services and pension funding. Data are available from quarterly statistical survey Poi P3-04. Reinsurance services are estimated on the basis of development of time series and annual data of the previous year.

(143) Activities auxiliary to insurance services (part of NACE 67)

The output of auxiliary insurance services is calculated as a sum of fees charged for their services. Data are available from the quarterly statistical survey Poi P3-04.

(144) Non-banking financial institutions

Pin 3-04 is quarterly statement that covers sector of non-banking financial institutions.

Output is calculated as a sum of following items:

Own output and goods revenues (+/-),

Bond papers sales revenues (+/-),

Total interest received (+/-),

Financial leasing revenue (+),

Charges on goods sold (-),

Sold bond papers and shares (-),
Interests from charges (-),
Changes in inventories (+/-), and
Activation (+/-)

(145) **Real estate activities**

Renting of machinery and equipment without operator and of personal and household goods

Computer and related activities

Research and development

Other business activities

Sources

PROD 3-04 covers 20% of objective NACEs output. It comprises 1400 corporations. P 13-04 - enterprises (legal persons) with up to 19 employees cover 15 % of output of NACEs 70-74.

Annual treatment of Annexes to tax declarations – physical persons (self-employed) cover about 30% of output of NACE 70 - 74.

50 000 self-employed persons are registered.

Output of NACE 70-74 covers 9 % of total economy.

Imputed rents - the user-cost approach is used. The cost elements are defined by accounting identities. Gross rentals equal the sum of

- *Intermediate consumption P2,*
- *Consumption of fixed capital K1,*
- *Other (net) taxes on production D29/39 and*
- *Net operating surplus B2.*

It covers 30% of NACE 70-74.

Hidden economy covers about 5%.

Methods

The sum of five sources mentioned above is the total output of NACE 70-74.

Output revaluation to constant prices is made by CPI price indexes for appropriate NACE.

(146) **Public administration and defence; compulsory social security**

Sources and methods:

Administrative sources provided by Ministry of Finance are the main source for data compilation. This source covers 99,7 % of output of the NACE 75. The source includes: The Statement on Budget Fulfilment and on Selected Financial Indicators Fulfilment (statement on revenue and expenditure); profit and loss statement; and balance sheet. User-cost approach is used (output = GVA + IC).

Annual treatment of Annexes to tax declaration covers 0,3% of output of NACE 75. Output of NACE 75 covers 4 % of total economy.

Conversion into constant prices (2000=100) - Final consumption of general government on the quarterly level

Compensation of employees, consumption of fixed capital, intermediate consumption and other social security benefits in kinds provided by the market producers are deflated separately to recalculate them into constant prices. Calculated data in constant prices are included in algorithm mentioned above. The ratio between current and constant prices is equal to deflator of general government final consumption.

D.11 - Compensation of employees:

Index chaining is used for calculation, i.e. previous year deflator related to corresponding quarter is multiplied by increased tariff of employees of the Public Services according to Advanced Collective Agreement.

K.1 - Consumption of fixed capital:

Index chaining is used for calculation, i.e. previous year deflator related to corresponding quarter is multiplied by deflator index that is used for calculation of gross fixed capital formation.

P.2 - Intermediate consumption:

Corresponding price indices are use for calculation. Indicator is divided by budgetary classification (BC) items (631, ...637) and is recalculated by corresponding price indices (see table). The final deflator is the ratio between intermediate consumption in current prices and intermediate consumption in constant prices. The sum of recalculated budgetary classification items is equal to intermediate consumption in constant prices.

| Code ESA 95 (BC) | Indicators ESA 95 (Classification of Budget) | Producers price indexes (PPI) Customer price indexes (CPI) |
|------------------|--|--|
| P2a | Consumption of material | |
| 632 | Electric. energy, water and com. | E - Electrical energy, gas, steam and hot water (PPI) |
| 633 | Material | D - Manufactured products (PPI) |
| P2b | Consumption of services | |
| 631 | Allowances for transport | Transport - Operation of personal transport equipment (CPI 07.2) |
| 634 | Transporting charges | Transport - Transport services (CPI 07.3) |
| 635 | Routine and standard maintenance | Housing - Maintenance and repair of the dwelling (CPI 04.3) |
| 636 | Rentals for housing | Housing - Imputed rentals for housing (CPI 04.2) |
| 637 | Services | Miscellaneous goods and services (CPI 12) |
| P2 | Intermediate consumption | |

D.63121 - Other social security benefits in kind rendered by market producers:

Corresponding price indices are use for calculation. This indicator is equal to sum of expenditures of health insurance companies on health care provided from quarterly publication Selected indicators on Health Insurance Companies, the Social Insurance Agency and the Central Office of Labour, Social Affairs and Family and is recalculated by corresponding price indices (see table).

The final deflator is the ratio between total expenditures in current prices and total expenditures in constant prices. The sum of recalculated expenditures of health insurances is equal to total expenditures in constant prices.

| Indicator | Customer price indexes (CPI) |
|--|--|
| EXPENDITURES IN TOTAL | |
| Primary out-patient health care in total | Health – out-patient services (CPI 06.2) |
| Out-patient health care specialized | Health – out-patient services (CPI 06.2) |
| Joint examining and therapeutic units | Health – out-patient services (CPI 06.2) |
| Drugs on prescription | Health - Medical products, appliances and equipment (CPI 06.1) |
| Medical aids | Health - Medical products, appliances and equipment (CPI 06.1) |
| Intramural health care | Health – hospital services (CPI 06.3) |
| Facilities for children | Health – out-patient services (CPI 06.2) |
| Health resort care | Health – out-patient services (CPI 06.2) |
| Health care abroad | Health – out-patient services (CPI 06.2) |
| Other expenditures | Health – out-patient services (CPI 06.2) |

(147) Education

Sources and methods:

Administrative sources from MF SR (Ministry of Finance) cover 92% of output of NACE 80. User-cost approach is used (output = GVA + IC).

PROD 3-04 – covers only 1% of objective output.

P 13-04 – covers 2% of objective output.

Annual treatment of Annexes to tax declaration covers 5% of output of NACE 80 and comprises about 3500 physical persons.

Output of NACE 80 covers 2 % of total economy.

Output revaluation to constant prices is made by CPI price indexes for appropriate NACE.

(148) Health and social work

Sources and methods:

Administrative sources from MF SR (Ministry of Finance) cover 70% of output of NACE 85. User-cost approach is used (output = GVA + IC)

PROD 3-04 – covers 13% of objective output.

P 13-04 – covers 1% of objective output.

Annual treatment of Annexes to tax declaration covers 16% of output of NACE 85 and comprises about 9000 physical persons.

Output of NACE 85 covers 2 % of total economy.

Output revaluation to constant prices is made by CPI price indexes for appropriate NACE.

(149) Sewage and refuse disposal, sanitation and similar activities

Activities of membership organization n.e.c.

Recreational, cultural and sporting activities

Other service activities

Sources

Administrative sources from MF SR (Ministry of Finance) cover 42% of output of objective NACEs. .

PROD 3-04 – covers only 36% of objective output.

P 13-04 – covers 11% of objective output.

Annual treatment of Annexes to tax declaration covers 11% of output of NACEs 90-93 and comprises about 14 000 physical persons

Output of NACE 90-93 covers 2 % of total economy.

Output revaluation to constant prices is made by CPI price indexes for appropriate NACE.

Intermediate consumption, value estimates

(150) Sources and methods for estimation of intermediate consumption. Per NACE aggregate at level used for data collection and compilation. If applied sources and methods are identical to output value please refer to respective questions

Example for NACE 01. 1 Growing of crops, value information;

(151) NACE 01.1: IC for growing of crops estimated by volume projection using same quarter previous year as base year and using information on output as projector. Volumes are inflated with price indices to estimate the values.

(152) In this NACE as well as in others the Input – Output annual tables on production were used to determine which branches and their ratios play a role in costs of NACE - Agriculture, hunting and related service activities. In the Year 2006 it was own production (NACE – 01) 48%; (NACE – 15) 14%; (NACE – 23) 9 %; (NACE - 40) 4%; (NACE – 60) 2%; (NACE - 70) 3% and other NACE's 12%. These 12 % were counted as a (NACE - 01).

GVA = Output – Intermediate Consumption

4.2. Taxes less subsidies on products

(153) Taxes on products (D.21) are taxes paid for each unit of produced or sold goods or services. Taxes on products contain:

- VAT type taxes (D.211)
- Taxes on imports and custom duties except for VAT (D.212)
- Taxes on products, except for VAT and taxes on imports (D.214)

(154) According to the ESA 95 methodology, taxes on products and import should be recorded at time when such activity, transaction or another event/case had taken place, which led to the generation of the tax duty (accrual principle). In the accounting system of public institutions the cash principle is applied – recording at the time of payment.

(155) The matters of principle for the recording of taxes and social contributions according to the accrual principle are governed by the Regulation of the European

Parliament and Council No. 2516/2000 and by the Regulation of European Commission No. 995/2000, which ensure the comparability of comparison of taxes and social contributions between the member states. At the same time the member countries are imposed each year to deliver to EC (Eurostat) the detailed description of methods, which they plan to use for different tax and social contribution categories. The methods used are subject to the agreement between the member state and Eurostat (Regulation No. 2516/2000, article 4).

(156) In compliance with the above stated regulations, the net lending/borrowing of government should not include taxes and social contributions, which are likely never to be collected. It means that it is necessary to take into account only receivables from taxes, customs and social insurance, which are supposed to be really paid. If there is a real presumption, that certain part of receivables on taxes, customs and premiums will never be collected, then the difference between the assessment and the expected collection represents a receivable, which does not have a real value and thus it should not be recorded as the income of government. Taxes and social contributions recorded in accounts can be, according to the Regulation, derived from two sources:

- tax and social contribution assessments
- payments received in cash.

(157) If the assessments are used (what is true for the Slovak Republic), the adjustment can be done in two ways:

- a) in accounts the assessment is recorded being adjusted by a coefficient in relation to the amount, on which it is presupposed that will never be paid
- b) the accounts will include the original assessment and at the same time a capital transfer amounting to the presupposed unenforceable sum for the benefit of the debtor sector will be recorded. In doing so, the capital transfer is presented separately for particular types of taxes and social contributions.

(158) Based on the consultations with foreign experts, the SR has chosen for recording of taxes and social contributions, in compliance with the accrual principle. The particular types of taxes and social contributions less sanctions are subject to accrual accounting. Sanctions are recorded in cash.

(159) Subsidies on products amounted to 9 643 million SKK. The subsidies on public railway transport contributed most significantly to the total amount of subsidies (5 301 million SKK, i.e. 55,5%), followed by the subsidies on agricultural commodities for the sustainability of genetic resources and breeding purposes (1 450 million SKK, i.e. 15,0%), and the share of subsidies for Slovak Radio and Slovak Television and other subsidised organisations in the total amount of subsidies ranked at the third place (1 093 million SKK, i.e. 11,3%).

Subsidies on products

Table 4.7

| | in Mill. SKK | % |
|---|--------------|-------------|
| A Agriculture, hunting and forestry | 1 540 | 16,0 |
| D Manufacturing | 706 | 7,3 |
| E Electricity, gas and water supply | 100 | 1,0 |
| I Transport | 6 074 | 63,0 |
| K Real estate, renting and business services | 5 | 0 |
| M Education | 7 | 0 |
| N Health | 8 | 0 |
| O Other community, social and personal services | 1 175 | 12,2 |
| | 28 | 0,3 |
| Total | 9 643 | 99,8 |

Chapter 5 GDP components: the expenditure approach

GDP according to the expenditure approach

(160) Tables show GDP compiled by expenditure approach for the reference year 2006 by quarters broken down into particular components in million SKK, in current prices, in constant prices and in percentage of GDP.

Gross domestic product by expenditure approach in Mill. SKK, current prices
(State after revision of ANA 1995-2005)

Table 5.1.

| Indicator | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|---|----------------|----------------|----------------|----------------|------------------|
| P3/P4 Total final consumption expenditure | 285 305 | 298 778 | 310 264 | 344 874 | 1 239 221 |
| Final consumption of households | 221 462 | 224 785 | 235 253 | 245 659 | 927 159 |
| Final consumption of government | 60 228 | 70 343 | 71 340 | 95 531 | 297 442 |
| Final consumption of NPISH | 3 615 | 3 650 | 3 671 | 3 684 | 14 620 |
| P.5 Gross capital formation | 101 483 | 125 632 | 129 628 | 118 081 | 474 824 |
| P.51 Gross fixed capital formation | 89 108 | 108 715 | 111 936 | 122 325 | 432 084 |
| P.52+ P.53 Acquisition less disposal of valuables | 12 375 | 16 917 | 17 692 | -4 244 | 42 740 |
| P.6 Export of goods and services | 303 322 | 341 507 | 365 633 | 391 741 | 1 402 203 |
| P.7 Import of goods and services | 322 147 | 358 751 | 381 357 | 415 949 | 1 478 204 |
| Net export | -18 825 | -17 244 | -15 724 | -24 208 | -76 001 |
| Statistical discrepancy | 872 | -3 395 | 711 | 31 | -1 781 |
| B.1g* Gross domestic product | 368 835 | 403 771 | 424 879 | 438 778 | 1 636 263 |

Structure of gross domestic product by expenditure approach in %, current prices
(State after revision of ANA 1995-2005)

Table 5.2.

| Indicator | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|---|--------------|--------------|--------------|--------------|--------------|
| P3/P4 Total final consumption expenditure | 77,4 | 74,0 | 73,0 | 78,6 | 75,7 |
| Final consumption of households | 60,0 | 55,7 | 55,4 | 56,0 | 56,7 |
| Final consumption of government | 16,3 | 17,4 | 16,8 | 21,8 | 18,2 |
| Final consumption of NPISH | 1,0 | 0,9 | 0,9 | 0,8 | 0,9 |
| P.5 Gross capital formation | 27,5 | 31,1 | 30,5 | 26,9 | 29,0 |
| P.51 Gross fixed capital formation | 24,2 | 26,9 | 26,3 | 27,9 | 26,4 |
| P.52+ P.53 Acquisition less disposal of valuables | 3,4 | 4,2 | 4,2 | -1,0 | 2,6 |
| P.6 Export of goods and services | 82,2 | 84,6 | 86,1 | 89,3 | 85,7 |
| P.7 Import of goods and services | 87,3 | 88,9 | 89,8 | 94,8 | 90,3 |
| Net export | -5,1 | -4,3 | -3,7 | -5,5 | -4,6 |
| Statistical discrepancy | 0,2 | -0,8 | 0,2 | 0,0 | -0,1 |
| B.1g* Gross domestic product | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

Structure of gross domestic product by expenditure approach in Mill. SKK constant prices (2000=100)
(State after revision of ANA 1995-2005)

Table 5.3.

| Indicator | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|---|----------------|----------------|----------------|----------------|------------------|
| P3/P4 Total final consumption expenditure | 214 403 | 224 620 | 231 508 | 256 149 | 926 680 |
| Final consumption of households | 165 545 | 168 319 | 172 917 | 181 276 | 688 057 |
| Final consumption of government | 46 098 | 53 589 | 55 898 | 72 242 | 227 827 |
| Final consumption of NPISH | 2 760 | 2 712 | 2 693 | 2 631 | 10 796 |
| P.5 Gross capital formation | 81 522 | 101 248 | 109 710 | 95 579 | 388 059 |
| P.51 Gross fixed capital formation | 72 522 | 89 151 | 93 592 | 99 719 | 354 984 |
| P.52+ P.53 Acquisition less disposal of valuables | 9 000 | 12 097 | 16 118 | -4 140 | 33 075 |
| P.6 Export of goods and services | 275 518 | 307 132 | 333 374 | 354 486 | 1 270 510 |
| P.7 Import of goods and services | 283 921 | 313 634 | 339 690 | 370 927 | 1 308 172 |
| Net export | -8 403 | -6 502 | -6 316 | -16 441 | -37 662 |
| Statistical discrepancy | 1 127 | -2 627 | 150 | -473 | -1 823 |
| B.1g* Gross domestic product | 288 649 | 316 739 | 335 052 | 334 814 | 1 275 254 |

Structure of gross domestic product by expenditure approach in %, constant prices
(State after revision of ANA 1995-2005)

Table 5.4.

| Indicator | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|---|--------------|--------------|--------------|--------------|--------------|
| P3/P4 Total final consumption expenditure | 74,3 | 70,9 | 69,1 | 76,5 | 72,7 |
| Final consumption of households | 57,4 | 53,1 | 51,6 | 54,1 | 54,0 |
| Final consumption of government | 16,0 | 16,9 | 16,7 | 21,6 | 17,9 |
| Final consumption of NPISH | 1,0 | 0,9 | 0,8 | 0,8 | 0,8 |
| P.5 Gross capital formation | 28,2 | 32,0 | 32,7 | 28,5 | 30,4 |
| P.51 Gross fixed capital formation | 25,1 | 28,1 | 27,9 | 29,8 | 27,8 |
| P.52+ P.53 Acquisition less disposal of valuables | 3,1 | 3,8 | 4,8 | -1,2 | 2,6 |
| P.6 Export of goods and services | 95,5 | 97,0 | 99,5 | 105,9 | 99,6 |
| P.7 Import of goods and services | 98,4 | 99,0 | 101,4 | 110,8 | 102,6 |
| Net export | -2,9 | -2,1 | -1,9 | -4,9 | -3,0 |
| Statistical discrepancy | 0,4 | -0,8 | 0,0 | -0,1 | -0,1 |
| B.1g* Gross domestic product | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

The reference framework

(161) When calculating particular components of the expenditure approach, we use as base monthly, quarterly and yearly data of the statistical surveys, administrative data sources and other alternative sources are used as the base. Statistical surveys and administrative sources are prevalingly the same as in the case of production approach. It has to be said that statistical surveys are carried out as exhaustive surveys of all units registered in the Business Register provided that firms with 20 and more employees are in question. In case of small enterprises (0-19 employees) registered in Business Register, the sample survey techniques are applied. Within household accounts is used stratified random sampling. Administrative sources are represented by administrative statements being submitted by entrepreneurs to the Ministry of Finance of the SR according to the Accounting Law, no matter if they are registered in the Business register or not. These statements are processed by the MFSR's processing unit in order to comply with the structure and breakdown defined by the SOSR. Alternative sources are represented by other data sources, which are available from web sites (annual economic reports) or by specific sources based on the direct arrangement between the SOSR and data suppliers. A more detailed description of individual data sources is presented within the description of the calculation of components of GDP by expenditure approach in the following parts of the chapter.

(162) Overview of estimation methods for particular expenditure components of GDP compilation

Table 5.5.

| | Estimation method |
|--|---|
| Final consumption of households | Statistical surveys, administrative data sources plus data taken over from mass media |
| Final consumption of non-profit institutions serving households | Administrative sources, statistical surveys |
| Final consumption of government | Administrative sources |
| Acquisition less disposal of tangible fixed assets | Statistical surveys plus administrative sources |
| Acquisition less disposal of intangible fixed assets | Statistical surveys plus administrative sources plus alternative sources for calculation of GFCF on originals |
| Increase in the value of non-produced non-financial assets | Statistical surveys |
| Changes in inventories | Statistical surveys plus administrative sources plus own grossing-ups |
| Acquisition less disposal of valuables | Statistical surveys plus administrative sources plus alternative sources |
| Export of goods | Statistical surveys plus administrative sources plus grossing-ups |
| Export of services | Administrative sources (Balance of Payments compiled by NBS) plus grossing-ups |
| Import of goods | Statistical surveys plus administrative sources plus grossing-ups |
| Import of services | Administrative sources (Balance of Payments compiled by NBS) plus grossing-ups |

The roles of benchmarks and extrapolations

(163) The basic data obtained by a direct quarterly statistical survey represent the main component of information sources. The methodological approaches and structures calculated within the national accounts for 2001 and 2002, in which the approaches and data sources were implemented from the Phare projects 1997, 1999 and 2000, are to be considered as the starting point for the compilation of items of the expenditure approach in 2006. The Phare projects, i.e. Phare 1997, Phare 1999 and Phare 2000, carried out by the SOSR, were focused on the improvement of FCH estimates in accordance to the ESA95 methodology. By using both, data for 2001 and the analytical tables, the aim of Phare 2000 project was to apply the recommended improvement of the methodological approaches and estimates of FCH

based on at least two independent data sources. The approaches and calculations from this project have been used for the calculation of FCH also in the successive years and quarters.

(164) Extrapolation methods have been used only in terms of GFCF for dwellings, where the data on stocks of dwellings obtained from the 2001 Census have been used as a benchmark. Extrapolations are used also in case when certain data are not available are available after the deadline for closing results.

Valuation

(165) Data for the calculation of expenditures on final consumption are recorded at purchaser's prices. Goods and services for own final use are valued at basic prices. Goods and services obtained as income in kind are valued at basic prices, if they were produced by the employer, and at purchaser's prices, if they were purchased by the employer (i.e. at prices which the employer actually paid). Data are available from statistical questionnaires. According to the accounting rules, the fixed assets are valued at acquisition prices, including expenditures related to their acquisition. Assets acquired during the time period under reporting are valued at current replacement prices. Similarly, the donated tangible and intangible fixed assets or leased assets are valued at current replacement prices. Own account produced assets used for own final use are valued at factor costs and marked-up for profit margin. Stocks of stored material and goods are valued at acquisition price, which consists from the purchaser's price and costs related to the acquisition of inventories (transport, insurance, customs duties etc.). Own account produced inventories are valued at factor costs. Included are direct costs on the production of inventories and that part of indirect costs, which are related to production, are included in total costs incurred. When compiling national accounts, the data on inventories are adjusted by holding gains and losses. Both, import and export of goods are valued at FOB prices.

(166) Main data used within the calculation of final household consumption (FCH) are valued at the following prices:

- Data in household budget survey (HBS) are valued at purchaser's prices including VAT and trade margin.
- Sales of retail trade are valued at purchaser's prices including VAT and trade margin.
- Final consumption of own account agriculture production is estimated from annual data by development of production of small farms and individual farmers. In ANA it is calculated as follows: the original data on agricultural output (taken over from the census on farms) at physical units are modified based on the average purchaser's and consumer's prices, being consequently modified into basic prices for the particular agricultural goods.

Transition from private accounting and administrative concepts to ESA95 national accounts concepts

(167) Statistical surveys, which are used for the investigation of data for the expenditure components of GDP, are set up in the same way as for other methods for the compilation of accounts, while, at the same time, the particular indicators are

defined according to the ESA95 concepts. Based on the methodological guidelines, the reporting unit is obliged to transfer the required data from the book-keeping concepts into the ESA95 concepts or to carry out an expert estimate, in order that the surveyed items of the book-keeping system entering the national accounts will cover the required methodological delimitation of indicators from the content point of view.

(168) Despite that it is necessary to perform some additional adjustments. The following adjustments are relevant:

- calculation of holding gains and losses on inventories,
- separation of items related to land and valuables, which are recorded in the firm's book-keeping system under the heading of tangible investment,
- the valuable rights split-off recorded in the book-keeping system as intangible investments,
- calculation of the consumption of fixed capital from replacement prices of the durable tangible and intangible assets,
- adjustments of the calculation of final consumption of government (S.13), within which the transformation bridge between the items of the national budgetary classification into ESA95 methodology is used,
- adjustments within the calculation of final consumption of households based on the retail trade statistics, in accordance with domestic concept, public purchases for official and business purposes in the retail trade network of other sectors are deducted and, according to national concept, the estimates of purchases of non-residents are deducted, while the purchases of residents abroad are added to,
- when calculating the gross fixed capital formation (GFCF) it is inevitable to take into account the threshold for the acquisition value of fixed assets, which represents the condition for the capitalisation of fixed assets and which is not in line with the ESA95 standards since 2003 (for tangible fixed assets it is 30 000 SKK, which represents 750 Euro and for intangible fixed assets it is 50 000 SKK, which represents 1250 Euro).
The assets acquired by the means of leasing are recorded in the asset accounts of the lessee from the beginning.

The roles of direct and indirect estimation methods

(169) Estimates of particular expenditure components of GDP are figured out by using a direct method, which is based on direct data available from statistical surveys, administrative and alternative sources. Only some items are estimated indirectly, i.e. the imputed rent and gross fixed capital formation in relation to literary, entertainment and artistic originals.

When compiling the FCH, both, the direct and indirect estimation methods, are used. Following estimates are considered as direct estimation methods:

- estimates of FCH based on household budget survey (HBS),
- estimates of FCH based on prevalingly retail trade sales,

(170) Following estimates are considered as indirect estimation methods:

- Estimates of FCH based on data from business (branch) statistics, used for other estimation purposes. FCH derived from data on wholesale trade is for relevant quarter estimated on the basis of annual data and represents 2,4 % of FCH.
- FCH of own account agricultural production in relevant quarter is estimated on the basis of annual data, where it is calculated based on quantities (from statistics on agriculture) and prices represents 4 % from the total amount of FCH .
- FCH of institutional households in relevant quarter is estimated on the basis of annual data, where it is calculated as the product of the number of several categories of persons living in institutions and their daily costs represents 1,1 % from the total amount of FCH.
- FCH of residents abroad quarterly represents 4,9 % of total FCH and FCH of non-residents in the economic territory represents 5,1 of total FCH
- FCH estimates due to the exhaustiveness in relevant quarter is estimated on the basis of annual data as percentage portion on FCH.

(171) The indirect methods usually were used also for verification data directly obtained, e.g. for the comparison of the growth rate of the given indicator being calculated based on the direct data with the growth rate of the auxiliary, analogical and/or alternative indicator. For example, expenditures of households on purchase of cars are figured out from household budgets surveys, retail trade turnover and by using an indirect method based on the records of newly registered cars from Police Department and their valuation according to the valid price lists of the car vendors.

5.1. Household final consumption expenditure

5.1.1 General characteristics

(172) Within the annual and quarterly national accounts, the final consumption of households was compiled in compliance with the recommendations on its improvement being identified within the framework of Phare pilot projects. As far as the methodological approach in individual quarters of year 2006 is adopted from annual accounts and come from annual data for FCH. on the compilation of FCH is concerned, it can be defined as combined method as the bottom-up and up-bottom approach when estimating particular commodities from several sources. In principle two independent estimates are prepared, based on household budget surveys and the retail trade data, structured according to 43 items COICOP classification. They are compared and modified in terms of items, which are not fully in line with ESA95 definition, while, if necessary, these data sources are at the same time combined. After the analysis of data in confrontation with other data sources the best estimate is chosen.

(173) The basic information on the structure of revenues and expenditures of selected groups of households is obtained from the regular monthly statistical Household Budget Survey, from quarterly and monthly the statistical survey for trade (retail trade turnover), market services, industry, transport, posts and telecommunications, foreign trade, and financial sector, from administrative sources, (balance of payments, car purchases registered by police). from enterprises and from

expert estimates elaborated in co-operation with branch statistics. The data from statistical survey (goods, services) are corrected by purchases and expenditures of non-residents and institutions. The items are additionally calculated to the intent of ESA 95 (e.g. natural incomes, production for own use, imputed rents, non-registered economy).

(174) The results of final consumption of households expressed at current prices are being recalculated into constant prices at chain-linked volumes with reference year 2000 at the structure of 43 COICOP items on the basis of relevant consumer prices indexes.

5.1.2 Data sources and compilation procedure

5.1.2.1 Statistics on household budgets

(175) In household budget survey through household accounts statistics SOSR from year 2004 changed method of household sampling, namely from quota sampling to stratified random sampling.

(176) Changes were related to:

1. method of reporting units sampling,
2. coding of household members,
3. classification of individual consumption by purpose for household accounts,
4. classification of cash incomes,
5. classification of incomes in kind.

(177) Household accounts statistics in creation of net of reporting units comes out from results of Population and Housing Census carried out in 2001.

Reporting units sampling is carried out in the form of two-stage stratified (territorial) random sampling.

Sampling unit is a flat. As base for units sampling is used address list of households living in permanently occupied houses.

As stratum (territories) regions and size level of municipalities were used. In every administrative region was chosen equal number of households. Structure of chosen households for region was in compliance with real structure of households by size level of municipalities in given region.

Chosen household, which agreed with paid cooperation, were reporters for household accounts for two sequential months.

They supply information related to their incomes and expenditures in gross values (first month) and detailed division (second month), data regarding household structure, living condition and amenity of chosen durables.

Unit for reporting and processing was household, which consisted from persons with permanent address in one flat and jointly reimbursing fundamental financial means related to household running (e.g. food, rent, electricity).

There were not included collective households into survey (i.e. patients in hospitals, members of holy orders in monasteries, inhabitants of social care institutions etc.).

(178) Data supplied every month by reporting units during a year were processed on monthly basis and average values were subsequently recalculated for a year basis. There were values attributed to every statistical unit after evaluating of obtained data. Final weights were acquired by arithmetic average of two values: 1. weights acquired by structure of sampling criteria (region and size level of municipalities, eventually type of municipality) and 2. calibrated weights by results of demographic structure of inhabitants for year 2005 (5-year age intervals and sex).

(179) The data expressiveness is characterised by the fact that the co-operation of households with the SOSR within the framework of the survey is voluntary and the survey covers such households, which are willing to provide the information on revenues and expenditures of all household members.

(180) While recalculating of data from households accounts statistics we also start from assumption, that the HBS does not cover households with high income (rich households).

(181) Within the Phare Projects (by using data for the years 2000 and 2001), the following procedure of recalculation of households' expenditures on overall population and on grossing up of data for rich households was suggested and suggested grossing up coefficients.

(182) In individual quarters of year 2006 regarding calculation of FCH from households accounts we based on these procedures and carried out following steps:

- data sources were average expenditures of households from households accounts expressed by person and month in three-figure COICOP classification.
- average households expenditures were recalculated on population (without so-called rich) by 34 items in three-figure COICOP classification. Number of inhabitants was taken over from demographic statistics
- quarterly expenditures for so-called rich households were evaluated by increasing of average expenditures of households from households accounts through grossing up coefficients, which are listed below in a table
- to results of FCH for average households by 34 items in three-figure COICOP classification were added expenditures for so-called rich households.

(183) Overview of coefficients used in calculations for increasing of consumption expenditures for rich households for year 2001 and for quarters in year 2006 is listed below in following table.

Table 5.6.

| COICOP | 2001 | 2006 |
|--|------|------|
| 01 Food and non-alcoholic beverages | 0,2 | 0,1 |
| 02 Alcoholic beverages, tobacco, narcotics | 0,6 | 0,6 |
| 03 Clothing and footwear | 0,2 | 0,2 |
| 04 Housing, water, gas, and other fuels | 0,3 | 0,3 |
| 05 Furnishings, housing equipment and routine maintenance of the house | 0,3 | 0,5 |
| 06 Health | 0,4 | 0,4 |
| 07 Transport | 0,4 | 0,4 |
| 08 Communication | 0,4 | 0,2 |
| 09 Recreation and culture | 0,5 | 0,5 |
| 10 Education | 0,4 | 0,6 |
| 11 Restaurants and hotels | 0,5 | 0,5 |
| 12 Miscellaneous goods and services | 0,3 | 0,3 |

5.1.2.2 Retail trade (RT) statistics

(184) Main data source for RT is the statistical survey covering big enterprises, small enterprises and entrepreneurs. Data on retail trade sales are classified according OKEC (compatible with NACE) classifications. Data on sales in retail trade from branch statistics, classified by OKEC, were used for the transformation of retail trade sales into the COICOP classification.

Transformation from NACE to COICOP was carried out within ANA from four-figure CPA to three-figure COICOP on the basis of valid relations between these classifications and in some items on the basis of analysis within above mentioned project Phare 2000.

Quarterly estimates of FCH and data sources expressed by NACE are based on transformation results (weights structures).

The retail trade sales are adjusted by purchases for business purposes (purchases for intermediate consumption, GFCF). For 2006 quarters the calculation was based on an inquiry carried out within the framework of a Phare 2000 project taking into account data for 2001 related to financial institutions from annual results of FCH for year 2005. For other institutional sectors, an estimate of purchases in retail trade for the intermediate consumption purposes was made. Retail trade data were adjusted by the estimated amount and these adjusted retail trade data were compared with the results from HBS, according to particular COICOP groups. The percentage of the subtracted purchases from retail trade (NACE 52), which do not serve for final consumption of households, oscillates around 30 %.

Retail data were adjusted with estimated amount and such adjusted retail were compared also with results of households accounts by individual COICOP groups.

Trade sales

Table 5.7.

in Mill.SKK

| | NACE | 2006 | | | |
|--|-----------|----------------|----------------|----------------|---------------|
| | | 1.Q | 2.Q | 3.Q | 4.Q |
| Sales and repairs of motor vehicles | 50 | 47 593 | 58 224 | 56182 | 60269 |
| RT not specialised | 521 | 50 801 | 56 239 | 59859 | 66096 |
| RT on food | 522 | 3 690 | 4 001 | 3 887 | 4 032 |
| RT on pharmaceuticals and cosmetics | 523 | 4 586 | 4 799 | 4 978 | 5 387 |
| RT on other specialised goods | 524 | 25 989 | 30 836 | 31 473 | 36 865 |
| RT on second-hand goods | 525 | 122 | 157 | 177 | 209 |
| Outlet RT | 526 | 14 614 | 17 460 | 19 000 | 20 603 |
| Repairs of consumer goods | 527 | 293 | 386 | 286 | 263 |
| Retail trade (RT) | 52 | 100 095 | 113 878 | 119660 | 133455 |
| Hotels and restaurants | 55 | 11 563 | 11 653 | 12 094 | 10 797 |
| Non-trade activities | | 9 568 | 7 118 | 6911 | 8617 |
| SR Total (trade and non-trade activities) | | 168 819 | 190 873 | 194 847 | 213138 |

5.1.2.3 Market services

(185) FCH is generated also by services, which are rendered by firms and institutions providing services for the household consumption. The amounts of sales are recorded in the statistics on selected market services from the supplier's standpoint and not from the aspect of consumer.

Sales related to selected market services express the amount of market services rendered, commercial activities in education, public, and social and personal services.

In relevant quarter are information taken from quarterly statistical sheets for main activities by NACE 4 in chosen market services area, which are reported by big enterprises, small enterprises registered in BR (Business register) and entrepreneurs non-registered in BR and are also taken also from price statistics (in order to validate calculation from households accounts).

There is also used knowledge acquired within Phare 2000, 2001 project, where portions for individual services in relevant COICOP group and on overall FCH were evaluated.

5.1.2.4 Wholesale trade statistics

(186) In 2000 – 2001 the wholesale trade supermarkets were established in the SR (e.g. METRO), which were intended for the purchases of entrepreneurs and sole traders. However, purchases for the FCH were also carried out in these stores. Therefore an in annual numeration of FCH assumption has been applied that 10 % of sales of the wholesale trade for food, beverages and tobacco products and 10 % of

sales of wholesale trade for household appliances (at retail trade prices, including VAT) are to be used for the purposes of FCH. To quarterly retail data is grossed up volume for wholesale in compliance with its percentage portion on overall retail incomes from annual results of FCH in year 2005.

5.1.2.5 Administrative sources

(187) The following information belongs among the main administrative data sources:

- For the calculation of consumption of alcohol and tobacco the data on excise taxes from the Ministry of Finance of the SR were used. Annual results by retail incomes development of this group of goods are projected into quarters.
- monthly and quarterly data for number of new registered cars by police are used for calculation of private car purchases by household sector
- The BoP from NBS was used for the purposes of calculation of FCH of residents and non-residents

(188) As useful information are used administrative data from annual compilation of FCH and from results of survey carried out within Phare 2000 project:

- The information from Tax Headquarters of the SR on the number of people with the annual income ranged between 600 000 SKK and 1 million SKK was used as the auxiliary information for the estimation of FCH of rich households.
- Information from the Public Poll Institute on the number of rich people
- Information from the Institute on Tourism, oriented to the surveys on expenditure of tourists
- Administrative data from houses for old-age people and social-care houses (direct payments, which the occupants of institutional households spend for accommodation, catering and services), administrative data from the Ministry of Interior (estimate of personal expenditures of prisoners), Ministry of Education (payments for accommodation and catering in dormitories).

5.1.2.6 Description of adjustments and grossing-ups in accordance to the definitions of the ESA 95 methodology

(189) It is pre-supposed that in HB some items are underestimated, especially alcohol, tobacco, and also purchases of cars. For the mentioned commodities the variant calculations were made, within which the data in physical units and average price data from price statistics were used. Another calculation was done based on the information of the Ministry of Finance of the SR on the excise taxes on alcoholic beverages and tobacco. Such variant calculations were compared with the retail trade sales. When estimating the expenditures on the purchases of cars, the information from the Ministry of Interior on the newly registered cars by marks and types and on their prices, was used.

Results and procedures are used for quarterly FCH compilation and actualised in compliance with retail incomes development of this group of goods for individual quarters.

5.1.2.7 Final consumption of institutional households

(190) As the HB does not capture households, the members of which are living in institutional households, for these types of households an estimate is made. In 2006, 118 262 people lived in such facilities. Mainly students living in dormitories, children in social-care houses, people in religious orders, prisoners, persons in houses for old-age people are in question. The statistical data on the number of people in particular facilities, expenditures from HB (for selected commodities), data from statistical surveys focused on the social-care service facilities and administrative sources

FCH for institutional households for quarters is estimated from annual data in accordance with its portion on FCH.

5.1.2.8 Grossing-up of the final consumption of entrepreneurs

(191) In the group of entrepreneurs and sole traders a tendency prevails that parts of their expenditures are usually recorded under the costs of their firms. Their reported actual final consumption is thus undervalued. Mainly the consumption of selected commodities, e.g. restaurant services, cultural, transport, communication and personal services are in question. The intermediate consumption of entrepreneurs was decreased by the same sum by which the final consumption was increased. The calculation was done within the specific project Phare 2000 and amounted to 15 062 million SKK. For individual quarters is estimated by its portion on FCH.

5.1.2.9 Output for own final use

(192) Quarterly The estimate of output of households intended for own final use corresponds to the estimate, which is being done within the production approach of the GDP calculation.

5.1.2.10 Wages and salaries in kind

(193) The statistical survey is the main data source. For year 2006 the wages and salaries in kind were enumerated in the amount of 14 445 million SKK into quarters are estimated by employment growth.

5.1.2.11 Imputed rent

(194) It corresponds with estimate, which is carried out within production approach of GDP calculation. Imputed rent is estimated from annual results of quarterly dwelling construction rate.

5.1.2.12 Estimate of insurance services

(195) The insurance services for households are enumerated within the calculation of output for the financial sector. The non-life insurance output is allocated in final consumption/intermediate consumption in proportion to the premiums payable by the sectors. This structure is obtained directly from insurance companies by the means

of the quarterly statistical survey. The total amount of life insurance and pension funding output is allocated in final consumption of households.

5.1.2.13 Estimate of banking services

(196) Quarterly estimate is being quantified within the calculation of output for the financial sector and FISIM.

5.1.2.14 Adjustments of expenditures on the motor-vehicle repairs – direct payments of insurance companies

(197) A part of household expenditures on the motor vehicle repairs amounting to the level of direct payments of insurance companies to the car-repair shops, as the providers of these services, was reallocated into the final consumption of households. The estimate was made at the level of 25-30% from the total number of settled claims related to the insurance of motor vehicles. The administrative data of insurance companies served as the data source. Annual data are allocated into quarters by estimate.

5.1.2.15 “Net” recording of lottery and gambling services

(198) The volume of net expenditures on lotteries is obtained from the Ministry of Finance of the SR as a difference between the expenditures on all types of lotteries and games and the wins repaid from these lotteries and games. It was estimated from annual results into individual quarters of year.

5.1.2.16 Tips, Consumption of drugs, Expenditures on prostitution

(199) The estimate of expenditures of households was done within a specific project. Quarterly data sources are not available so allocation into quarters is estimated.

5.1.2.17 Borderline between FCH, IC and GFCF

(200) Expenditures, which are not considered as intermediate consumption but rather as expenditures on FCH, are expenditures spent on small repairs and on works related to the internal equipment of dwellings carried out by tenants as well as by owners, and on material for repairs and maintenance of durables. FCH covers also durables, which are not considered as GFCF. These durables are in operation for several accounting time periods and the durables transferred from the enterprise into the household belong here too.

(201) On the other hand, expenditures on FCH do not cover expenses of business households for business purposes, which are considered as intermediate consumption, e.g. goods for short-time consumption, adjustments and repairs of dwellings, related to the production of dwelling services. The FCH does not cover also durables – transport means, dwellings, furniture, electric equipment, which are included into GFCF.

Summary table of Final consumption expenditure of households :

Table 5.8.

| COICOP | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Rok 2006 |
|--|---------------|---------------|---------------|---------------|---------------|
| 01 Food and non-alcoholic beverages | 39 318 | 43 712 | 44 186 | 45 954 | 173 170 |
| 02 Alcoholic beverages, tobacco, narcotics | 10 304 | 10 702 | 9 575 | 11 743 | 42 324 |
| 03 Clothing and footwear | 8 732 | 8 416 | 8 864 | 10 780 | 36 792 |
| 04 Housing, water, gas, and other fuels | 59 016 | 65 174 | 63 673 | 61 357 | 249 220 |
| 05 Furnishings, housing equipment and routine maintenance of the house | 10 929 | 10 618 | 11 921 | 14 564 | 48 032 |
| 06 Health | 5 983 | 5 779 | 4 944 | 5 614 | 22 320 |
| 07 Transport | 19 553 | 18 964 | 20 603 | 20 899 | 80 019 |
| 08 Communication | 8 463 | 8 439 | 7 709 | 8 928 | 33 539 |
| 09 Recreation and culture | 17732 | 17549 | 25580 | 21315 | 82176 |
| 10 Education | 3460 | 2509 | 3664 | 3828 | 13461 |
| 11 Restaurants and hotels | 16941 | 14528 | 14909 | 16589 | 62967 |
| 12 Miscellaneous goods and services | 21031 | 18395 | 19625 | 24088 | 83139 |
| Total | 221462 | 224785 | 235253 | 245659 | 927159 |

In the summary table we are presenting the FCH figures based on the HBS and RT data, which are completed by calculations on the basis of other data sources,. The choice of the best estimates of FCH was made on the basis of:

- the analysis of calculated data
- the analysis of the quality of data used.

5.1.2.18 Final consumption expenditure of households - domestic concept

(202) Final consumption expenditure of households, DC (Final consumption expenditure of resident and non-resident households on the economic territory) =

(203) Total final consumption expenditure of households, NC (Final consumption expenditure of resident households on the economic territory and abroad)

minus

(204) Final consumption expenditure of resident households in the rest of the world
plus

(205) Final consumption expenditure of non-resident households on the economic territory

5.1.2.19 Final consumption expenditure of households by Durability of Goods

(206) Within Phare projects related to data for years 2000 and 2001 were available data from households accounts by most detailed structure of COICOP classification

and was tested algorithm for calculation of households expenditures by “long duration of goods and services”. At the same time were evaluated weights structure of goods and services within three-figure COICOP. These structures are used for division of quarterly FCH into groups of short-term and long-term consumption of goods and services.

5.2 Final consumption of general government

(207) Final consumption expenditure in the general government sector (central government, local government and social security funds) include:

- the value of the goods and services produced by general government (except from the capital formation for own use),
- purchases by general government of goods and services produced by market producers that were consumed by households,
- financial services indirectly measured (FISIM).

(208) According to the European System of Accounts (ESA 95) final consumption of general government is calculated on the quarterly level by the following algorithm:

Table 5.9.

| Code ESA 95 | Indicator | Calculation algorithm |
|-------------|---|--|
| B.1g | Gross value added | D1+D29+K1 |
| D.1 | Compensation of employees | D11+D121+D122 |
| D.11 | Wages and salaries | |
| D.121 | Employer's actual social contributions | |
| D.122 | Employer's imputed social contributions | |
| D.29 | Other taxes on production | |
| K.1 | Consumption of fixed capital | |
| P.2 | Intermediate consumption | |
| P.1 | Output | B1g+P2 |
| P.11 | Market output | |
| P.12 | Output for own final use | |
| P.131 | Payments for other non-market output | |
| D.6311 | Social security allowances | |
| D.63121 | Other social security benefits in kind rendered by market producers | |
| D.63131 | Social benefits in kind rendered by market producers | |
| P.3 | Final consumption expenditure | P1-P11-P12-P131+D6311+D63121+D63131 |

5.2.1 Institutional allocation

(209) According to the institutional allocation for 2006 government sector includes: budgetary and subsidised organizations, national funds, the State property fund, the Slovak Land Resources, the Slovak consolidated bank (Inc.), public universities, The Healthcare Oversight Office, The Nation Memory Institute, The Slovak National Centre for Human Rights (i.e. Central government subsector S1311), communities and upper regional units and their budgetary and subsidised organizations (i.e. Local government subsector S1313), health insurance companies and the Social Insurance Agency (i.e. Social security Funds subsector S1314). Subsidised organizations are included into government sector by the criterion of 50% (i.e. less than 50% its production costs are covered with earnings).

5.2.2 Data sources

(210) Government final consumption data are derived from administrative sources Ministry of finance SR and considered as complete.

(211) In terms of items D1, D29, P2, P.11, P.131 and D.63121, the following administrative data sources were used as the starting point:

- Statement on the fulfilment of budget and on the fulfilment of selected financial indicators of government budgetary organisations Fin RO 1-04,
- Statement on the fulfilment of budget and on the fulfilment of selected financial indicators of subsidised organisations and state funds Fin PO 3-04,
- Statement on the fulfilment of budget and on the fulfilment of selected financial indicators of the municipality, supreme territorial unit and budgetary organisations under their auspices Fin SAM 2-04,
- Statement on the fulfilment of budget of other entities of government Fin OST 4-04

(212) If the item P.12 is concerned, the following administrative sources were used:

- Profit and loss statement Uc ROPO SFOV 2-01
- Profit and loss statement Uc NUJ 2-01

In the sector of government, the items D.6311 and D.63131 were equal to zero.

Item K.1 is computed according to the consumption of fixed capital by sectors.

5.2.3 Classification

(213) For the purposes of tracing of revenues and expenditures of budgets, a budgetary classification was used. The budgetary classification contains the organisational classification, identification of type of budget, functional classification and economic classification. Organisational classification allows the identification of budgetary operations according to the budget chapters and state funds. Functional classification provides the possibility to trace the government expenditure by purpose

and the international comparison. The economic classification sorts homogenous types of revenues and expenditures into main categories, categories, items and sub-items. At the same time, it states which expenditures are funded from current expenditures and which from capital expenditures.

(214) Final consumption of general government in Mill.SKK, current prices (state after the revision on ANA 1995-2005)

Table 5.10.

| Code ESA 95 | Calculation algorithm | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|-------------|--|---------------|---------------|---------------|---------------|----------------|
| B.1g | D1+D29+K1 | 33 053 | 38 561 | 39 701 | 52 493 | 163 808 |
| D.1 | D11+D121+D122 | 21 484 | 26 784 | 27 849 | 40 593 | 116 710 |
| D.11 | | 16449 | 20397 | 20833 | 30557 | 88236 |
| D.121 | | 4 809 | 6 146 | 6 690 | 9 569 | 27 214 |
| D.122 | | 226 | 241 | 326 | 467 | 1 260 |
| D.29 | | 358 | 313 | 349 | 338 | 1 358 |
| K.1 | | 11 211 | 11 464 | 11 503 | 11 562 | 45 740 |
| P.2 | | 14 908 | 18 600 | 17 023 | 26 599 | 77 130 |
| P.1 | B1g+P2 | 47 961 | 57 161 | 56 724 | 79 092 | 240 938 |
| P.11 | | 5 183 | 3 600 | 2 840 | 3 290 | 14 913 |
| P.12 | | 48 | 30 | 11 | 29 | 118 |
| P.131 | | 340 | 407 | 391 | 420 | 1 558 |
| D.6311 | | 0 | 0 | 0 | 0 | 0 |
| D.63121 | | 17 838 | 17 219 | 17 858 | 20 178 | 73 093 |
| D.63131 | | 0 | 0 | 0 | 0 | 0 |
| P.3 | P1-P11-P12- P131+D6311+ D63121+D63131 | 60 228 | 70 343 | 71 340 | 95 531 | 297 442 |

5.2.4 Conversion into constant prices (2000=100) - Final consumption of general government on the quarterly level

(215) Compensation of employees, consumption of fixed capital, intermediate consumption and other social security benefits in kinds provided by the market producers are deflated separately to recalculate them into constant prices. Calculated data in constant prices are included in algorithm mentioned above. The ratio between current and constant prices is equal to deflator of general government final consumption.

D.11 - Compensation of employees:

(215) Index chaining is used for calculation, i.e. previous year deflator related to corresponding quarter is multiplied by increased tariff of employees of the Public Services according to Advanced Collective Agreement.

K.1 - Consumption of fixed capital:

(216) Index chaining is used for calculation, i.e. previous year deflator related to corresponding quarter is multiplied by deflator index that is used for calculation of gross fixed capital formation.

P.2 - Intermediate consumption:

(217) Corresponding price indices are use for calculation. Indicator is divided by budgetary classification (BC) items (631, ...637) and is recalculated by corresponding price indices (see table). The final deflator is the ratio between intermediate consumption in current prices and intermediate consumption in constant prices. The sum of recalculated budgetary classification items is equal to intermediate consumption in constant prices.

Table 5.11.

| Code ESA 95 (BC) | Indicators ESA 95 (Classification of Budget) | Producers price indexes (PPI) Customer price indexes (CPI) |
|------------------------|---|--|
| P2a | Consumption of material | |
| 632 | Electric. energy, water and com. | E - Electrical energy, gas, steam and hot water (PPI) |
| 633 | Material | D - Manufactured products (PPI) |
| P2b | Consumption of services | |
| 631 | Allowances for transport | Transport - Operation of personal transport equipment (CPI 07.2) |
| 634 | Transporting charges | Transport - Transport services (CPI 07.3) |
| 635 | Routine and standard maintenance | Housing - Maintenance and repair of the dwelling (CPI 04.3) |
| 636 | Rentals for housing | Housing - Imputed rentals for housing (CPI 04.2) |
| 637 | Services | Miscellaneous goods and services (CPI 12) |
| P2 | Intermediate consumption | |

(218) D.63121 - Other social security benefits in kind rendered by market producers: Corresponding price indices are use for calculation. This indicator is equal to sum of expenditures of health insurance companies on health care provided from quarterly publication Selected indicators on Health Insurance Companies, the Social Insurance Agency and the Central Office of Labour, Social Affairs and Family and is recalculated by corresponding price indices (see table).

The final deflator is the ratio between total expenditures in current prices and total expenditures in constant prices. The sum of recalculated expenditures of health insurances is equal to total expenditures in constant prices.

Table 5.12.

| Indicator | Customer price indexes (CPI) |
|--|--|
| EXPENDITURES IN TOTAL | |
| Primary out-patient health care in total | Health – out-patient services (CPI 06.2) |
| Out-patient health care specialized | Health – out-patient services (CPI 06.2) |
| Joint examining and therapeutic units | Health – out-patient services (CPI 06.2) |
| Drugs on prescription | Health - Medical products, appliances and equipment (CPI 06.1) |
| Medical aids | Health - Medical products, appliances and equipment (CPI 06.1) |
| Intramural health care | Health – hospital services (CPI 06.3) |
| Facilities for children | Health – out-patient services (CPI 06.2) |
| Health resort care | Health – out-patient services (CPI 06.2) |
| Health care abroad | Health – out-patient services (CPI 06.2) |
| Other expenditures | Health – out-patient services (CPI 06.2) |

(219) Final consumption of general government in Mill. SKK, constant prices (2000=100)
(State after the revision on ANA 1995-2005)

Table 5.13.

| Code ESA 95 | Calculation algorithm | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|-------------|--|---------------|---------------|---------------|---------------|----------------|
| B.1g | D1+D29+K1 | 28 425 | 33 088 | 35 107 | 42 968 | 139 588 |
| D.1 | D11+D121+D122 | 16 658 | 20 447 | 20 813 | 30 216 | 88 134 |
| D.11 | | 12 754 | 15 571 | 15 570 | 22 746 | 66 641 |
| D.121 | | 3 729 | 4 692 | 5 000 | 7 123 | 20 544 |
| D.122 | | 175 | 184 | 243 | 347 | 949 |
| D.29 | | 358 | 313 | 349 | 338 | 1 358 |
| K.1 | | 11 409 | 12 328 | 13 945 | 12 414 | 50 096 |
| P.2 | | 10 353 | 13 465 | 12 281 | 19 676 | 55 775 |
| P.1 | B1g+P2 | 38 778 | 46 553 | 47 388 | 62 644 | 195 363 |
| P.11 | | 4 191 | 3 810 | 2 840 | 3 290 | 14 131 |
| P.12 | | 48 | 30 | 11 | 29 | 118 |
| P.131 | | 340 | 407 | 391 | 420 | 1 558 |
| D.6311 | | 0 | 0 | 0 | 0 | 0 |
| D.63121 | | 11 899 | 11 283 | 11 752 | 13 337 | 48 271 |
| D.63131 | | 0 | 0 | 0 | 0 | 0 |
| P.3 | P1-P11-P12- P131+D6311+ D63121+D63131 | 46 098 | 53 589 | 55 898 | 72 242 | 227 827 |

5.2.5 Individual consumption expenditure and collective consumption expenditure

(220) Final consumption expenditure P.3 is divided into individual consumption expenditure P.31 and collective consumption expenditure P.32. The estimation of P.31 (individual consumption) is based on calculation of D.631 (Social benefits in kind) and on D.632 (Transfers of individual non-market goods and services), which on the quarterly level is estimated on the basis of annual account for previous period. P.32 (collective consumption), which is in fact the actual final consumption P.4, is computed by subtraction of P.31 (individual consumption) from P.3 (final consumption).

Individual and collective consumption of general government in Mill. SKK,
current prices
(State after the revision on ANA 1995-2005)

Table 5.14.

| Code ESA 95 | Calculation algorithm | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|----------------|--------------------------|---------------|---------------|---------------|---------------|----------------|
| P.3 | | 60 228 | 70 343 | 71 340 | 95 531 | 297 442 |
| P.31 | | 27 997 | 29 084 | 29 892 | 36 292 | 123 265 |
| P.32 | P.3 – P.31 | 32 231 | 41 259 | 41 448 | 59 239 | 174 177 |

Individual and collective consumption of general government in Mill.SKK,
constant prices (2000=100)
(State after the revision on ANA 1995-2005)

Table 5.15.

| Code ESA 95 | Calculation algorithm | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|----------------|--------------------------|---------------|---------------|---------------|---------------|----------------|
| P.3 | | 46 098 | 53 589 | 55 898 | 72 242 | 227 827 |
| P.31 | | 21 429 | 22 157 | 23 422 | 27 445 | 94 453 |
| P.32 | P.3 – P.31 | 24 669 | 31 432 | 32 476 | 44 797 | 133 374 |

5.3 Final consumption expenditure of non-profit institutions serving households

(221) Sector of non-profit institutions serving households covers institutional units, mainly social and other non-profit institutions, which provide non-market services to households, associations of persons and comply also with interests of other supportive and auxiliary organisations belonging to other sectors. These units belong among other non-market producers, whose main part of production is provided to their members free of charge or for economically insignificant prices.

(222) Final consumption expenditure in the sector of non-profit institutions serving households (NPISHs) includes:

- the value of the goods and services produced by NPISHs (except from the capital formation for own use),
- expenditures by NPISHs on goods and services produced by market producers that are supplied to households for their consumption as social transfers in kind.

(223) The own calculation of final consumption for non-profit institutions was based on both, the amount of output, decreased by the sales from selling of own goods and services, and on the amount of trade margin.

(224) According to the European System of Accounts (ESA 95) final consumption of non-profit institutions serving households is calculated on the quarterly level by the following algorithm:

Table 5.16.

| Code ESA 95 | Indicator | Calculation algorithm |
|-------------|---|--|
| B.1g | Gross value added | D1+D29+K1 |
| D.1 | Compensation of employees | D11+D121+D122 |
| D.11 | Wages and salaries | |
| D.121 | Employer's actual social contributions | |
| D.122 | Employer's imputed social contributions | |
| D.29 | Other taxes on production | |
| K.1 | Consumption of fixed capital | |
| P.2 | Intermediate consumption | |
| P.1 | Output | B1g+P2 |
| | Sales from selling of own goods and services and trade margin | |
| P.3 | Final consumption expenditure | P1- sales from selling and trade margin |

We make estimates based on mathematic-statistical approaches, i.e. we use FORECAST of annual data and then we split it into quarters by ECOTRIM software.

Item K.1 is computed according to the consumption of fixed capital by sectors.

Final consumption expenditure of non-profit institutions serving households
in Mill. SKK, current prices
(State after the revision on ANA 1995-2005)

Table 5.17.

| Code ESA 95 | Calculation algorithm | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|-------------|--|--------------|--------------|--------------|--------------|---------------|
| B.1g | D1+D29+K1 | 2 552 | 2 585 | 2 605 | 2 616 | 10 358 |
| D.1 | D11+D121+D122 | 2 309 | 2 336 | 2 354 | 2 364 | 9 363 |
| D.11 | | 1 851 | 1 880 | 1 899 | 1 909 | 7 539 |
| D.121 | | 435 | 434 | 433 | 433 | 1 735 |
| D.122 | | 23 | 22 | 22 | 22 | 89 |
| D.29 | | 31 | 33 | 34 | 34 | 132 |
| K.1 | | 212 | 216 | 217 | 218 | 863 |
| P.2 | | 4 625 | 4 730 | 4 800 | 4 836 | 18 991 |
| P.1 | B1g+P2 | 7 177 | 7 315 | 7 405 | 7 452 | 29 349 |
| | Sales form selling and trade margin | 3 562 | 3 665 | 3 734 | 3 768 | 14 729 |
| P.3 | P1- sales from selling and trade margin | 3 615 | 3 650 | 3 671 | 3 684 | 14 620 |

By recounting to the constant prices an adjusted deflator of final consumption of general government is used.

Final consumption expenditure of non-profit institutions serving households in Mill. SKK, constant prices (2000=100)
(State after the revision on ANA 1995-2005)

Table 5.18.

| ESA 95 code | 1.q.2006 | 2.q.2006 | 3.q.2006 | 4.q.2006 | Year 2006 |
|-------------|----------|----------|----------|----------|-----------|
| P.3 | 2 760 | 2 712 | 2 693 | 2 631 | 10 796 |

5.4 Gross capital formation

5.4.1 Gross fixed capital formation

(225) Gross fixed capital formation (GFCF) consist of expenditures on new fixed assets, of used tangible and intangible fixed assets, which the producers spend in order to retain, increase or expand their production capacity or to create new production possibilities in the future. At currency of GFCF is needed to include limit acquisition value of assets, for durable tangible assets is higher than 30 000 SKK (750 Euro) and for durable intangible assets is higher than 50 000 SKK (1 250 Euro), which can be repeatedly or continuously used in the production process for the time period longer than 1 year. GFCF include addition to the value of non-produced non-financial assets and disposal (minus) fixed assets.

The following is considered as the disposal of fixed assets: sale of used fixed assets, consignment of fixed assets by the means of barter exchange and the delivery of used fixed assets as a natural capital transfer.

This item Addition to the value of non-produced non-financial assets covers two types of transactions, which are a part of gross fixed capital formation. Firstly, the significant improvement of non-produced non-financial assets is in question, e.g. re-cultivation, building-up of flood-protection barriers etc. In the national accounts of the SR this item is not figured out, however, it enters the GFCF by the means of item „other structures“. Secondly, the costs on the transfer related to the sale of land and costs in connection to the acquisition of valuable rights are in consideration. These items are directly surveyed within the state statistical surveys on corporations. In the sector of government, sector of households and in the sector of NISH the relevant amount of costs in relation to the transfer of ownership of non-produced non-financial assets is derived from the value of sales of relevant assets

Assets acquired during the time period under reporting are valued at current replacement prices.

5.4.1.1 Data sources of GFCF

(226) Sources for indicator GFCF in breakdown of sectors, NACE, of products (Pi6) are in individual quarter of state statistical survey:

- In corporations with 20 and more employees
- In corporations to 19 employees
- In financial institutions and non-banking financial institutions (without reference in quantity employees)
- In public institutions
- In subsidised organisations
- In budgetary organisations

Information on the acquisition of tangible and intangible fixed assets are obtained from the statistical survey, from module 112 Acquisition of durable intangible and tangible fixed assets.

Table 5.19.

| 112. ACQUISITION AND SALE OF DURABLE ASSETS (in thd. SKK) | | I. r. | Acquisition of Durable assets | | | Sale and consignment of durable assets | |
|--|---|----------------------|-------------------------------|----------|-------------------------|--|--|
| | | | total | witch of | | | |
| | | | | used | fin. of foreign sources | | |
| | | a | 1 | 2 | 3 | 4 | |
| Acquisition of durable intangible fixed assets | | 1 | | | | | |
| Acquisition of durable tangible fixed assets | | 2 | | | | | |
| Of witch | structures | 3 | | | | | |
| | of which residential buildings | 4 | | | | | |
| | separate movable assets and sets of objects | 5 | | | | | |
| | Of witch | machinery, equipment | 6 | | | | |
| | | transport means | 7 | | | | |
| | cultivated assets | 8 | | | | | |
| | livestock and draught animals | 9 | | | | | |
| | land | 10 | | x | | | |
| | works of art and collections | 11 | | x | | | |
| | other durable tangible assets | 12 | | | | | |
| acquisition durable assets on environment protection (from line 1 a 2) | | 13 | | | | x | |
| No payment acquisition durable assets (from line 1 a 2) | | 14 | | | | x | |

Formation GFCF in accordance with questionnaires:

Table 5.20.

| SECTOR | Questionnaires |
|---------------|--|
| S.11 | Prod 3-04 The quarterly questionnaire production sections P 13-04 The quarterly questionnaire production sections in small enterprises |
| S.12 | PEN 3-04 The quarterly enterprise questionnaire on banking financial institutions POI 3-04 The quarterly enterprise questionnaire on insurance PIN 3-04 The quarterly enterprise questionnaire non-banking financial institutions |
| S.13 | The National budgetary classification NSRO 1-01 The annual questionnaire of municipal budgetary organisations, NSPO 1-01 The annual questionnaire of municipal subsidised organisations Socp 1-01 The annual questionnaire of Social Insurance Company Zdp 1-01 The annual questionnaire of the health insurance companies NÚP 1-01 The annual questionnaire of the National Labour Office |
| S.14 | The Trade and the Business Register sole traders (a growing number) Roč 3-99 The Survey on entrepreneurs – physical persons not registered in the Business Register -conversion at Q INV 3-04 The quarterly statement on begun and finished dwellings |
| S.15 | NSNO 1-01 The annual questionnaire for non-profit institutions |

5.4.1.2 GFCF by sectors

(227) In sector of *non-financial corporations* S.11 statistical surveys (PROD 3-04) are carried out as exhaustive surveys (100 employees and more) and sample survey techniques (20 – 99 employees). The grossing-ups have been done at levels The Company registration at principle conversion date from the same previous year with the assistance of coefficient modification and the grossing-ups at average recoverability.

(228) The sample survey under group enterprises with 0-19 employees (P13_04) are the imputation of data for economically active units, which have not submitted the statistical questionnaires, and the grossing-ups for the total population of economically active units within the framework of sample survey. Processing and grossing-ups for exhaustiveness is realized with automated device.

Process of calculation acquisition of durable assets Prod 3-04
substitute statistical surveys by data

Table 5.21.

| | 1. Q. 2006 | 2. Q. 2006 | 3. Q. 2006 | 4. Q. 2006 | 2006 |
|---|---------------|---------------|----------------|----------------|----------------|
| SR total | 64 383 | 79 369 | 170 115 | 101 735 | 415 602 |
| of which: | | | | | |
| Statement of account before substitution | 31 929 | 67 113 | 155 145 | 75 445 | 329 632 |
| substitution from automated data processing | 21 100 | 5 652 | 14 970 | 23 041 | 64 763 |
| Real calculation branch 330 | 11 354 | 6 604 | 0 | 3 249 | 21 207 |
| Theoretical tolerable calculation from non fulfilment | 5 556 | 13 423 | 31 029 | 14 258 | 64 266 |
| Difference real and theoretical calculation | 5 798 | -8 352 | -30 413 | -11 009 | -43 976 |
| Share of calculation in % of total SR | 17,6 | 8,3 | 0,0 | 3,2 | 5,1 |

(229) Data acquire for in sector financial corporations S.12 are carried out as exhaustive surveys.

In both sectors data have been actualised about adjusted eventuality repair report in news unit thereof.

Data corpus in their two respective structural indicators detected module 112 give data for GFCF in section for segment, branch and products assort.

In sectors public administration S.13 and in sectors *non-profit institutions serving households* S.15 make estimate, and actualisations basic data is data last years, which separate in quarterly years by structure and proportionality.

For THFK in sectors households S.14 are made estimates by using of all data in tablet Method for make GFCF from preliminary data.

Foundations for is estimate:

- number of industrialist – traders in responsible quarterly of years, proportional share, investing and average value of investment,
- number of complete flats in family houses in register INV 3 – 04 – quarterly statement of flats began, in building process, completed and their value,
- estimation of accomplish garages, recreational cottages and garden cottages

Table 5.22.

| Sectors | Acquisition of durable fixed assets | | | | Disposal fixed assets | | | | GFCF | | | |
|-------------------------|-------------------------------------|----------------|----------------|----------------|-----------------------|---------------|----------------|---------------|---------------|----------------|----------------|----------------|
| | 1.q. | 2.q. | 3q. | 4q. | 1.q. | 2.q. | 3.q. | 4.q. | 1.q. | 2.q. | 3.q. | 4.q. |
| SR total | 105 639 | 127 130 | 213 971 | 155 311 | 16 531 | 18 415 | 102 035 | 32 986 | 89 108 | 108 715 | 111 936 | 122 325 |
| Of witch: | | | | | | | | | | | | |
| Prod 3-04 | 64 383 | 79 369 | 170 115 | 101 735 | 9 547 | 11 452 | 97 449 | 24 201 | 54 836 | 67 917 | 72 666 | 77 534 |
| P 13-04 | 10 674 | 11 712 | 11 049 | 11 785 | 3 089 | 3 756 | 2 669 | 6 061 | 7 585 | 7 956 | 8 380 | 5 724 |
| Non-financial sector | 75 057 | 91 081 | 181 164 | 113 520 | 12 636 | 15 208 | 100 118 | 30 262 | 62 421 | 75 873 | 81 046 | 83 258 |
| Financial sector | 3 527 | 3 790 | 3 035 | 3 184 | 2 113 | 1 774 | 1 017 | 1 108 | 1 414 | 2 016 | 2 018 | 2 076 |
| General government | 5 448 | 9 546 | 7 097 | 14 756 | 1 294 | 1 319 | 730 | 1 450 | 4 154 | 8 227 | 6 367 | 13 306 |
| Non-profit institutions | | | | | | | | | | | | |
| serving households | 324 | 377 | 277 | 355 | 90 | 114 | 17 | 41 | 234 | 263 | 260 | 314 |
| Households | 21 283 | 22 336 | 22 398 | 23 496 | 398 | 0 | 153 | 125 | 20 885 | 22 336 | 22 245 | 23 371 |

5.4.1.3 GFCF by classification of production

(230) We use data of products in harmony with classification Pi 6 from product statistics.

Expect this one we sort out data in double accounting of companies, when financial acquisition are watched to acquisition GFCF. Particular products and articles subdivide these data.

From the point of view of commodity we have available data for calculation GFCF in product of agriculture, hunting, fishing and water culture, in metal product and machinery, transportation equipment, in other building and other products.

Conversion into the constants prices is made on basic of estimate weight GFCF from national accounts by commodities (on the base of tables by branches) via producer prices in question (CPI).

Table 5.23.

| Classification of Production | GFCF (at current prices) | | | | GFCF(at constants price) | | | |
|--|--------------------------|----------------|----------------|----------------|---------------------------|---------------|---------------|---------------|
| | 1.q. | 2.q. | 3q. | 4q. | 1.q. | 2.q. | 3.q. | 4.q. |
| SR total | 89 108 | 108 715 | 111 936 | 122 325 | 72 522 | 89 151 | 93 592 | 99 719 |
| Product of agriculture, hunting, fishing and water culture | 461 | 407 | 2 556 | 2 567 | 375 | 334 | 2100 | 2 093 |
| Machinery | 55 821 | 66 657 | 49 510 | 58 289 | 45 431 | 54 660 | 41 600 | 47 547 |
| Of which Metal product and machinery | 42 227 | 51 989 | 40 014 | 46 362 | 34 367 | 42 631 | 33 561 | 37 784 |
| Transport equipment | 13 594 | 14 668 | 9 496 | 11 927 | 11 064 | 12 029 | 8 039 | 9 763 |
| Structures | 27 356 | 35 260 | 55 211 | 54 779 | 22 264 | 28 916 | 46 074 | 44 642 |
| Of which Building | 5 191 | 7814 | 12 576 | 17 696 | 4 225 | 6 408 | 10 426 | 14 225 |
| Other structures | 22 165 | 27446 | 42 635 | 37 083 | 18 039 | 22 508 | 35 648 | 30 417 |
| Other products | 5 470 | 6391 | 4 659 | 6 690 | 4 452 | 5 241 | 3 818 | 5 437 |

5.4.1.4 GFCF by NACE

(231) Statistical surveys of module 112 for gross and small companies are processed in branch sectors to level 4 number of classification NACE. Into the calculation of GFCF, which we calculate for quarterly data by two digit level, except of data surveyed in statements Prod 3-04 and P 13-04 are included count up data for value of group traders and other ones included in the sector of households.

(232) Value GFCF for sector of households was divided number of surveys units. In this way we received value GFCF for one survey's units. Recounting this value by number of active register units and other registered in statistical registers included in sector of households by individual NACE's we obtained resultant value of GFCF.

Table 5.24.

| NACE | GFCF (at current prices) | | | |
|--|--------------------------|----------------|----------------|----------------|
| | 1.q. | 2.q. | 3q. | 4q. |
| SR total | 89 108 | 108 715 | 111 936 | 122 325 |
| Agriculture, hunting and forestry, fishing | 2 042 | 2 997 | 3 779 | 3 631 |
| Mining and quarrying | 703 | 784 | 489 | 415 |
| Manufacturing | 30 668 | 35 955 | 38 385 | 50 263 |
| Of which | | | | |
| Manufacture of food products; beverages and tobacco | 3 219 | 3 329 | 2 738 | 2 750 |
| Manufacture of textiles and textile products | 355 | 787 | 516 | 776 |
| Manufacture of leather and leather products | 240 | 211 | 112 | 187 |
| Manufacture of wood and wood products | 735 | 836 | 646 | 681 |
| Manufacture of pulp, paper and paper products, publishing and printing | 4 541 | 6 778 | 2 687 | 1 942 |
| Manufacture of coke, refined petroleum products and nuclear fuel | 1 526 | 1 604 | 631 | 1 180 |
| Manufacture of chem..., chemical products and man-made fibres | 759 | 1 260 | 714 | 905 |
| Manufacture of rubber and plastic products | 1 893 | 1 765 | 1 268 | 1 274 |
| Manufacture of other non-metallic and mineral products | 1 802 | 2 572 | 2 063 | 1 778 |
| Manufacture of basic metals and fabricated metal products | 3 920 | 3 957 | 4 291 | 5 016 |
| Manufacture of machinery and equipment n. e. c. | 2 027 | 2 017 | 2 008 | 3 152 |
| Manufacture of electrical and optical equipment | 2 551 | 3 033 | 3 112 | 2 411 |
| Manufacture of transport equipment | 6 504 | 6 986 | 16 998 | 27 329 |
| Manufacture n. e. c. | 596 | 820 | 601 | 882 |
| Electricity, gas and water supply | 4 927 | 9 436 | 8 545 | 7 980 |
| Construction | 970 | 1 699 | 1 983 | 1 558 |
| Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods | 6 178 | 9 560 | 9 983 | 9 513 |
| Hotels and restaurants | 593 | 1 106 | 1 367 | 1 027 |
| Transport, storage, post and telecommunications | 18 573 | 18 417 | 18 619 | 19 139 |
| Financial intermediation | 1 098 | 2 290 | 2 029 | 2 076 |
| Real estate, renting and business activities, research and development | 18 336 | 18 763 | 18 826 | 17 955 |
| Public administration and defence, compulsory social security | 2 265 | 3 431 | 4 495 | 4 391 |
| Education | 633 | 982 | 1 276 | 1 732 |
| Health and social work | 919 | 1 141 | 1 112 | 1 352 |
| Other community, social and personal service activities | 1 203 | 2 154 | 1 048 | 1 293 |

5.4.1.5 Revision and recount to the constant prices

(233) Specification of estimates of GFCF quarterly accounts until to category preliminary result are reviewed after constituting of year accounts in versions an preliminary data, definitely are constituted in term after constituting of year account in versions definitely. GFCF for year 2006 was reviewed in status preliminary data by programme ECOTRIM and balanced to the years data.

When revisions of time lines in current prices are completed, in the first step of recounting to the constant prices we constituted data of GFCF by KP in average PPY with the assistance of over years prices indexes. Then these quarterly time lines are reviewed to the year data of PPY. When revision of GFCF is completed, the chain linking of volumes in prices of the year 2000 were constituted with assistant of the chain linking of volume indexes.

Tab. GFCF for revision:

Table 5.25.

| Sectors | GFCF (mill. SKK) | | | |
|--|-------------------|----------------|----------------|----------------|
| | 1.q | 2.q | 3.q | 4.q |
| SR total | 88 708 | 108 275 | 113 628 | 125 567 |
| Non-financial sector | 61 299 | 74 675 | 82 233 | 85 577 |
| Financial sector | 781 | 1 172 | 1 474 | 1 419 |
| General government | 5 270 | 9 498 | 7 036 | 14 525 |
| Non-profit institution serving households | 21 160 | 22 693 | 22 636 | 23 749 |
| Households | 198 | 237 | 249 | 297 |

Table 5.26.

| Classification of Production | GFCF (at current prices) | | | | GFCF(chain-linking volume in prices of the reference year 2000) | | | |
|---|--------------------------|----------------|----------------|----------------|---|----------------|----------------|----------------|
| | 1.q | 2.q | 3q. | 4q. | 1.q | 2.q | 3.q | 4.q |
| SR total | 88 708 | 108 275 | 113 628 | 125 567 | 88 708 | 108 275 | 113 628 | 125 567 |
| Product of agriculture, hunting, fishing and water culture | 275 | 708 | 276 | 532 | 227 | 572 | 232 | 430 |
| Machinery | 44 762 | 53 064 | 39 590 | 46 959 | 36 692 | 43 382 | 32 287 | 38 212 |
| Of which Metal product and machinery | 33 769 | 39 940 | 29 591 | 35 049 | 28 323 | 33 167 | 24 573 | 28 820 |
| Transport equipment | 10 993 | 13 124 | 9 999 | 11 910 | 8 709 | 10 605 | 8 000 | 9 721 |
| Structures | 39 384 | 49 525 | 70 069 | 71 720 | 30 698 | 40 049 | 55 883 | 52 818 |
| Of which Building | 8 314 | 9 636 | 9 644 | 11 133 | 6 812 | 7 1659 | 7 314 | 82 793 |
| Other structures | 31 070 | 39 889 | 60 425 | 60 587 | 24 612 | 33 062 | 48 974 | 44 842 |
| Other products | 4 287 | 4 978 | 3 693 | 6 356 | 4 398 | 5 539 | 3 863 | 6 946 |

Table 5.27.

| NACE | THFK (at current prices)(v mill. SKK) | | | |
|--|---------------------------------------|----------------|----------------|----------------|
| | 1.q. | 2.q. | 3q. | 4q. |
| SR total | 88 708 | 108 275 | 113 628 | 125 567 |
| Agriculture, hunting and forestry, fishing | 1 887 | 2 639 | 3 374 | 3 373 |
| Mining and quarrying | 5 289 | 6 912 | 6 902 | 6 367 |
| Manufacturing | 27 996 | 31 450 | 33 080 | 44 193 |
| Electricity, gas and water supply | 7 701 | 12 786 | 15 000 | 10 102 |
| Construction | 1 499 | 2 471 | 2 870 | 2 440 |
| Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods | 6 347 | 8 081 | 9 938 | 11 063 |
| Hotels and restaurants | 361 | 866 | 1 017 | 754 |
| Transport, storage, post and telecommunications | 14 295 | 12 615 | 12 253 | 13 145 |
| Financial intermediation | 663 | 1578 | 1377 | 1308 |
| Real estate, renting and business activities, research and development | 15 270 | 17 594 | 17 950 | 16 926 |
| Public administration and defence, compulsory social security | 5 385 | 7 704 | 6 885 | 11 111 |
| Education | 300 | 467 | 701 | 1230 |
| Health and social work | 758 | 1 264 | 1 219 | 1 543 |
| Other community, social and personal service activities | 957 | 1 848 | 1 062 | 2 012 |

5.4.2 Changes in inventories and valuables

5.4.2.1 Characteristics and definitions of inventories

(234) The change in inventories is measured by the value of inputs flowing into inventories decreased by the value of withdrawals from inventories. Inventories cover all goods, which are not recorded as fixed capital formation and which are used by resident units.

Data on stocks are obtained from quarterly statistical surveys divided into material, work-in-progress and own produced semi-finished goods, goods and animals and goods for resale. The item Change in inventories is computed as a difference between the values of stocks at the beginning and the end of the reference quarter. Conversion into constant prices is carried out at the beginning and at the end of the observed period and the result is an increase/decrease in stocks at comparable price. Stocks are deflated separately for agriculture, industry, construction, trade and transport. For that the related price indices for the mentioned branches are used.

Changes in inventories

Table 5.28 in Mill.SKK

| Period | Data |
|----------|---------|
| 1.Q 2006 | 12 204 |
| 2.Q 2006 | 14 856 |
| 3.Q 2006 | 16 394 |
| 4.Q 2006 | -14 986 |

5.4.2.2 Holding gains and losses

(235) Holding gains and losses are changes during the observed year caused by the price development, i.e. gains or losses from the holding of inventories. The basis for calculation is formed by stocks of relevant types of inventories at the beginning of the surveyed time period (po.qo) and at the end of the surveyed time period (pn.qn). From these data the average stock of inventories is calculated for the surveyed time period valued at prices valid at the beginning of the surveyed time period (po.q). For this purpose it is necessary firstly to recalculate the stock of inventories at the end of surveyed time period to the price level of the beginning of the surveyed time period, i.e. (po.qn), by using the relevant price index expressing the increase of prices for the given period. By averaging of po.qo and po.qn the average stock of inventories (po.q) is obtained, which is consequently recalculated to the price level valid at the end of surveyed period (pn.q); again the price index expressing the price development of the surveyed time period was used. The difference between the average stock of inventories valued at prices valid at the end of period (pn.q) and the average stock of inventories valued at prices valid at the beginning of period (po.q) represents the nominal gains and losses on particular inventories for the surveyed time period.

(236) In sector S.11 the calculation of holding gains and losses is carried out at quarterly level. The closing stock at the end of the quarter is recalculated into prices valid at the beginning of the quarter. By using the price indices expressing the price development during the observed time period the average value of inventories is recalculated into average prices.

5.5 Imports, exports

(237) For GDP calculation it is used balance of foreign trade.

Summary table of export and import

Table 5.29. in Mill. SKK

| | 1.Q | 2.Q | 3.Q | 4.Q | R 2006 |
|---------------------|----------------|----------------|----------------|----------------|------------------|
| Export total | 303 322 | 341 507 | 365 633 | 391 741 | 1 402 203 |
| Export of goods | 267 494 | 299 906 | 323 492 | 348 316 | 1 239 208 |
| Export of services | 35 828 | 41 601 | 42 141 | 43 425 | 162 995 |
| Import total | 322 147 | 358 751 | 381 357 | 415 949 | 1 478 204 |

| | | | | | |
|--------------------|----------------|----------------|----------------|----------------|----------------|
| Import of goods | 291 340 | 323 012 | 343 933 | 377 620 | 1 335 905 |
| Import of services | 30 807 | 35 739 | 37 424 | 38 329 | 142 299 |
| Balance | -18 825 | -17 244 | -15 724 | -24 208 | -76 001 |

5.5.1 Exports of goods

(238) Export of goods consists from Customs Statistics and grossing-up for non-residents working in the territory of the Slovak Republic. Customs Statistics data are to be considered as overall export of goods for the surveyed time period in quarter recorded at the borders. Custom management were created the database of information on trading of Slovak Republic with rest of the world based on documents obtained within the framework of custom performances. Data completed for surveyed month as well as updated data for previous months were opened up for the Statistical office of the Slovak Republic. Data on exports of goods for the surveyed month are recorded till 25th day of next month. Statistical office of the Slovak Republic do not change data of mentioned above database, all changes are performed by custom duties only. Data for previous months are updated each month. The final annual data are published in the September of the next year. Data from Customs Statistics are recorded according to the Harmonised System of Combined Nomenclature and consequently are converted into CPA classification at 4-digit level.

(239) Grossing-ups for non-residents are based on both, the number of working non-residents for the given time period being taken from the Centre of Labour, Social Affairs and Family (UPSVAR) by the country of origin, and on the average wage. The extent of grossing-ups is approximately 23% from the amount of wages under D11 at the supply side on the Rest of the world account. It is the inevitable part of financial means intended for own consumption (purchase of food, clothing etc.). If the calculation shows that data on tourism in the Balance of Payments (BoP) are underestimated, also the consumption of tourists will be grossed up Data on transition of borders residents and non-residents withdrawn from the SO SR publication "External tourism" are used for the grossing up for non-residents (and in the case of imports also for residents). The number of legal working people is completed by assumed number of visits of their native country according to the distance (1-4 times for year). Then the number of tourists in accommodation facilities is added and the difference of sum of these items and transits of borders is divided by ratio of workers and tourists. Using this way we obtain information on the number of illegal workers and the number of one-day visitors optionally visitors of citizens.

(240) Since May 2004 both, the system of Intrastat SK and Extrastat SK, have been used for data determination.

(241) Intrastat SK is a system, which contains information on the trade in goods with the EU member countries as partners being obtained by statistical survey. The Customs Administration in co-operation with the SOSR ensures data collection from the reports of reporting units, primary processing and the verification of data in accordance to the mentioned legal rules, which is responsible for the entire processing.

(242) Extrastat SK is a system for the compilation of statistics on trade of the Slovak Republic with the EU non-member countries using the Unified Customs Document as an administrative data source. The Customs bodies provide the data collection and processing of information on trade with the EU non-member countries based on documents assessed for the customs proceedings in compliance with the legal rules of the Community and the Slovak Republic.

5.5.2 Exports of services

(243) Export of services covers all services rendered by Slovak residents to non-residents. The main principles for recording these transactions are obtained from Balance of Payments Manual 5 and from Manual on Statistics of International Trade in Services. The compilation of data on export and imports of services is based on a mixed system, which uses a combination of settlement data and surveys. The cash-based settlements system, or the International Transactions Recording System (ITRS), is a closed system that captures all foreign exchange transactions that are conducted through the banking system. Data on individual transactions are supplied on a monthly basis by each of the commercial banks, classified according to a list of codes that cover the current account, capital account and financial account, as well as transactions that do not fall within the scope of the BoP.

(244) Data are classified according to the sector of the resident transactor unit – own account transactions of banks, non-financial enterprises, financial enterprises, insurance companies and pension funds, general government, self-employed individuals, non-profit institutions serving households, natural persons and non-residents. The coding list is updated every two years. Each commercial bank supplies detailed data on a monthly basis, transaction by transaction classified according to a detailed list of codes.

(245) Since EU accession, the reporting guidelines for banks include an exemption threshold for all customer transactions below €12,500. Missing transactions are estimated according to the results of specialized questionnaire (2003), which was sent to Slovak commercial banks. In the questionnaire, commercial banks provide information on below threshold transactions for each payment code. All commercial banks submit data to National Bank of Slovakia (NBS) in the required format and time. For the purposes of BoP compilation, commercial banks submit statements on foreign exchange income and payments to and from non-residents in foreign and domestic currency, reports on transactions in and stocks of foreign currency and Slovak korunas, and statistics on non-residents' holdings of securities in their custody departments.

Generally, data for services are obtained from the “Monthly report on foreign exchange income and payments” and the “Monthly report on receipts and payments for the account of non-residents”. The first report contains transactions in foreign exchange, while the latter covers transactions in domestic currency. These reports are prepared by all commercial banks on the basis of the methodology prepared by the BOP Section. The commercial banks return the data electronically to the Statistics Department of NBS. The reporting forms are designed on the basis of the BPM5 and also contain information needed by the compilers. The data are collected on the basis of a system using specific transaction codes, under which income and payments have to be assigned the relevant code from a list.

5.5.3 Transportation services

(246) Data for transportation are generally obtained from the “Monthly report on foreign exchange income and payments” and the “Monthly report on receipts and payments for the account of non-residents”, and several items (among them pipeline transit) are directly reported by pipeline operators. Transportation covers freight transport services and passenger transport services. Transport services include transactions related to the conveyance of people and the conveyance of goods, except for the cost included in the price of goods, such as the cost of transport, warehousing, insurance cost.

5.5.4 Travel

(247) Data for travel are obtained from the “Monthly report on foreign exchange income and payments” and the “Monthly report on receipts and payments for the account of non-residents”. The collection system covers purchases and sales of foreign exchange and cashless payments (i.e. transfers from one account to another), as well as transactions via credit cards. As supplementary sources, NBS uses data from border surveys produced by the Institute of Tourism and statistical information on travel from the SOSR.

Travel covers the goods and services acquired from a Slovak Republic by travellers during visits of less than one year. The one- year rule does not apply to students and medical patients, who remain residents of their country of origin, even if the length of stay in another economy is more than a year. All expenditure made by students and medical patients are recorded within travel. The main sources are: Monthly reports on receipts and payments from commercial banks: Dev (NBS) 12-12 and V (NBS) 15-12. These reports include payment codes concern tourist area, for example: buying foreign currency for cash, receipts and payments of natural person and legal entities associated with the provision of services in tourism: travel agencies, hotels, using credit cards. Receipts and payments for goods and services purchases by non-residents that undertake a productive activity in host economy, less than one year are estimate jointly with SOSR.

5.5.5 Other services

(248) Data for this item are obtained from the “Monthly report on foreign exchange income and payments” and the “Monthly report on receipts and payments for the account of non-residents”.

5.5.6 Insurance services

(249) Data of BoP for **life insurance and pension funds** cover transactions between insurance companies and pension funds policyholders **Non-life insurance** covers transaction for insurance of property and persons against accidental events, including collections and payments for health insurance, insurance against accidents,

insurance against natural disasters, travel insurance, insurance of loans and credit cards. **Reinsurance** is associated with transactions related to the reinsurance of insurance companies and branch offices of foreign insurance companies under a separate regulation for the event that contractually agreed risks occur. **Freight insurance** includes insurance of goods that covers transactions for insurance of goods against damage or loss during the transport, with the exception of insurance included in the price of goods. **Auxiliary services** cover transactions for other services associated with insurance, such as commissions to agents, fees and charges for intermediation and consulting services in surveying and risk assessment, claim settlement and enforcement of claims.

5.5.7 Adjustments in national accounts

(250) Statistical Office of the Slovak Republic makes precision of information on insurance services based on statistical survey. Data from BoP contains all payments of insurance premiums covering risks of non-life insurance, life insurance, pension funding including reinsurance and auxiliary insurance services. SO SR takes of these data only information on insurance services charges. The estimation of these insurance services charges is based on applying the pro rata approach. For the estimation of export of insurance services it is supposed that the ratio “insurance services charges paid by non-resident policyholders to Slovak insurance companies / total amount of insurance services charges received by Slovak insurance companies” is the same as the ratio “insurance premiums paid by non-resident policyholders to Slovak insurance companies / total amount of insurance premiums received by Slovak insurance companies”. The estimation of import is based on the same ratio, because data on insurance premiums paid by Slovak policyholders to non-resident insurance companies is available from the above mentioned Monthly reports on receipts and payments from commercial banks Dev (NBS) 12-12 and V (NBS) 15-12, but the amount of total insurance premiums received by non resident companies is unknown. The amount of insurance services charges is excluded from the BoP amount of insurance premiums, allocated to export and import of services and the other part is considered as current transfers related to non-life insurance (part of D7) or to life and pension insurance, which is recorded in financial account.

Export of transport services

Table 5.30.

in Mill. SKK

| | 1.Q.2006 | 2.Q.2006 | 3.Q.2006 | 4.Q.2006 | 2006 |
|---|----------|----------|----------|----------|---------|
| Services | 32 626 | 41 340 | 42 085 | 44 586 | 160 637 |
| Transport services | 12 717 | 13 842 | 13 809 | 16 157 | 56 525 |
| <i>Rail transport</i> | 1 169 | 1 456 | 1 015 | 846 | 4 485 |
| Passenger transport | 1 | 1 | 0 | 1 | 3 |
| Freight transport | 1 168 | 1 455 | 1 015 | 845 | 4 481 |
| <i>Other transport</i> | 11 548 | 12 387 | 12 794 | 15 311 | 52 040 |
| Passenger transport | 683 | 1 095 | 1 675 | 584 | 4 037 |
| Freight transport | 3 732 | 4 545 | 5 189 | 4 711 | 18 177 |
| <i>Other supporting & auxiliary, transport services</i> | 7 133 | 6 747 | 5 930 | 10 016 | 29 826 |
| With in: transit gas and oil | 7 068 | 6 699 | 5 904 | 8 236 | 29 634 |

| | | | | | |
|---|--------|--------|--------|--------|--------|
| Travel | 7 463 | 12 851 | 12 644 | 12 027 | 44 985 |
| <i>Business</i> | | | | | |
| <i>Private</i> | 7 463 | 12 851 | 12 644 | 12 027 | 44 985 |
| Other services | 12 446 | 14 646 | 15 633 | 16 401 | 59 126 |
| <i>Communications services</i> | 967 | 1 083 | 2 715 | 2 796 | 7 561 |
| <i>Construction services</i> | 513 | 561 | 741 | 721 | 2 536 |
| <i>Insurance services</i> | 120 | 39 | 30 | 133 | 322 |
| <i>Financial services</i> | 1 137 | 1 413 | 943 | 800 | 4 293 |
| <i>Law-, accounting and advisory services</i> | 696 | 628 | 467 | 725 | 2 516 |
| <i>Computer and information services</i> | 1 271 | 1221 | 1 452 | 1 113 | 5 057 |
| Business services | 359 | 261 | 419 | 344 | 1 383 |
| <i>Services not allocated</i> | 7 383 | 9 441 | 8 866 | 9 770 | 35 460 |

(251) Data in exports of services are adjusted by grossing up for prostitution data for both working non-residents (inevitable part of financial means intended for own consumption (transportation, accommodation, etc.) and tourist non-residents. For the 2006 grossing –up of prostitution represented the value of 1 450 mill SKK (288; 305; 407; 450), grossing up of exports of goods for these working non-residents represented the value of 1 806 mill SKK (508; 471; 493; 334) and grossing up of exports of goods tourist non-residents represented the value of 3 820 mill SKK (1 015; 323 ;1 261; 1 221).

5.5.8 Imports of goods

(252) Import of goods consists from customs statistics data, grossing-ups for both, residents and the import of drugs. Data from Customs Statistics are recorded according to the Harmonised System of Combined Nomenclature and consequently they are converted into CPA classification at 4-digit level. Grossing-up for residents covers commodities of final consumption of households. Import of goods is recorded according to particular customs regimes as follows:

5.5.9 Total imports

(253) of which

- imports of goods for processing,
- imports of goods after processing

(254) Grossing-ups for residents are based on both, an information related to the number of working residents for the given time period, which is submitted on demand by embassies of the SR according to the country of activity, and on the average wage. The extent of grossing-ups amounts approximately to 35% from total wages. It is the inevitable part of financial means for own use (purchase of food, clothing etc.). For 2006 it was the value of 7 427 mil. SKK (1 469; 2 079; 1 870; 2 009). If the calculation shows that data on tourism in BoP are underestimated, also the consumption of tourists will be grossed up. Using this way data from BoP in 2006

was grossed-up by 7 842 mil. SKK (1 043; 2 969; 2 090; 1 740). The additional calculations for the import of drugs are carried out by Infostat based on its own findings within the framework of non-observed economy estimates. In 2006 the volume of grossing-up for imports of drugs was 1 000 mil. SK (210; 315; 291; 184)

5.5.10 Imports of services

(255) Reference should be made to sub-chapter export, since sources and methods are the same for imports as for exports of services.

5.5.11 Special payment codes for import:

(256) Construction and montage work in the SR – payments for construction and montage work, including design work, performed within the territory of the Slovak Republic, except for the cost of construction and montage included in the price of goods.

(257) Diplomatic representation of the Slovak Republic abroad – payments, and/or refunds associated with the activities of diplomatic and consular representation offices abroad (this does not concern purchases of land and other real property).
Representation of Slovak enterprises abroad – payments related to the cost of representation of these enterprises abroad (do not included wage costs).

Imports of services

Table 5.31.

in Mill. SKK

| | 1.Q.2006 | 2.Q.2006 | 3.Q.2006 | 4.Q.2006 | 2006 |
|---|----------|----------|----------|----------|---------|
| Services | 30 630 | 35 145 | 36 424 | 38 698 | 140 897 |
| Transport services | 8 794 | 9 697 | 8 848 | 10 661 | 38 000 |
| <i>Rail transport</i> | 2 442 | 2 975 | 1 908 | 2 208 | 9 533 |
| Passenger transport | 51 | 69 | 58 | 72 | 250 |
| Freight transport | 2 391 | 2 906 | 1 851 | 2 135 | 9 283 |
| <i>Other transport</i> | 6 352 | 6 722 | 6 939 | 8 454 | 28 467 |
| Passenger transport | 1 077 | 1 350 | 1 320 | 1 302 | 5 049 |
| Freight transport | 2 951 | 3 052 | 3 298 | 3 808 | 13 109 |
| <i>Other supporting & auxiliary, transport services</i> | 2 324 | 2 320 | 2 321 | 3 344 | 10 309 |
| With in: transit gas and oil | | | | | |
| Travel | 6 396 | 7 830 | 9 282 | 7 841 | 31 349 |
| <i>Business</i> | 378 | 430 | 368 | 291 | 1 467 |
| <i>Private</i> | 6 018 | 7 400 | 8 913 | 7 552 | 29 883 |
| Other services | 15 440 | 17 618 | 18 294 | 20 195 | 71 547 |
| <i>Communications services</i> | 649 | 648 | 713 | 895 | 2 905 |
| <i>Construction services</i> | 896 | 1 407 | 2 257 | 2 080 | 6 640 |
| <i>Insurance services</i> | 800 | 908 | 1 059 | 637 | 3 404 |
| <i>Financial services</i> | 1 701 | 2 822 | 2 998 | 2 553 | 10 074 |
| <i>Law-, accounting and advisory services</i> | 791 | 833 | 749 | 613 | 2 986 |
| <i>Computer and information services</i> | 1 787 | 1 107 | 1 353 | 1 691 | 5 938 |
| <i>Business services</i> | 796 | 1 040 | 1 038 | 1 154 | 4 028 |
| <i>Services not allocated</i> | 8 021 | 8 853 | 8 129 | 10 570 | 35 573 |

(258) In the SOSR, data on import of services are completed by data on working residents, in case of whom the part from funds required for their own existence is added (transport, accommodation, etc.) and by data on resident tourists. For 2006, the grossing up for working residents amounted to 6 887 mill. SKK (409; 879; 3 470; 1 924) and the grossing up for residents tourists was at the level of 3 293 mill. SKK (291; 474; 2 528; 0).

Chapter 6 GDP components: the income approach

(259) The calculation of GDP by income approach is not to be considered as an independent method. The reason lies in the lack of relevant information for a direct independent calculation of the operating surplus and mixed income. Both sub-aggregates are obtained as balancing items of the generation of income of sector accounts.

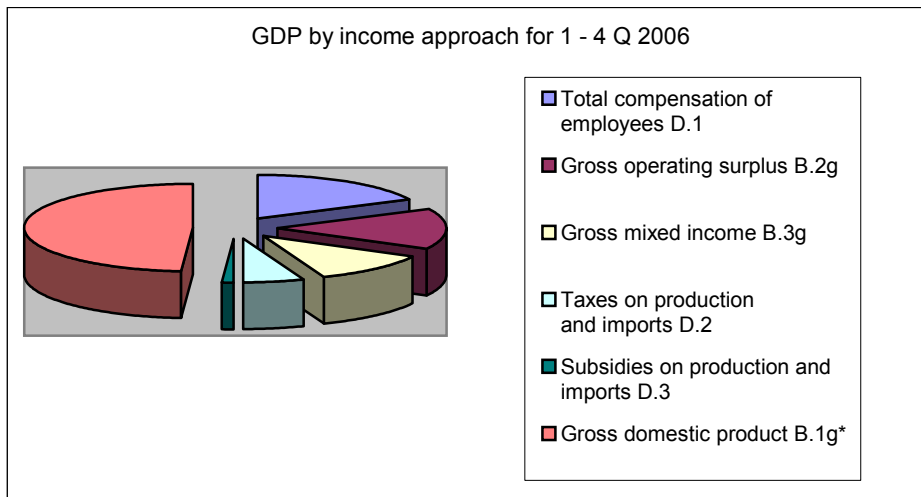
GDP by income approach for year 1 – 4 Q 2006

in Mill.SKK

| | Total compensation employees | Gross operating surplus | Gross mixed income | Taxes on production and imports | Subsidies on production and imports | Gross domestic product |
|------|------------------------------|-------------------------|--------------------|---------------------------------|-------------------------------------|------------------------|
| | D.1 | B.2g | B.3g | D.2 | D.3 | B.1g* |
| 1Q | 133 752 | 115 191 | 82 359 | 44 209 | 6 676 | 368 835 |
| 2Q | 142 086 | 132 897 | 88 249 | 47 478 | 6 939 | 403 771 |
| 3Q | 145 055 | 135 438 | 100 569 | 50 050 | 6 233 | 424 879 |
| 4Q | 177 990 | 115 131 | 109 042 | 54 893 | 18 278 | 438 778 |
| 2006 | 598 883 | 498 657 | 380 219 | 196 630 | 38 126 | 1 636 263 |

ratio in GDP (%)

| | Total compensation employees | Gross operating surplus | Gross mixed income | Taxes on production and imports | Subsidies on production and imports | Gross domestic product |
|--------------|------------------------------|-------------------------|--------------------|---------------------------------|-------------------------------------|------------------------|
| | D.1 | B.2g | B.3g | D.2 | D.3 | B.1g* |
| 1Q | 36,3 | 31,2 | 22,3 | 12,0 | 1,8 | 100,0 |
| 2Q | 35,2 | 32,9 | 21,9 | 11,8 | 1,7 | 100,0 |
| 3Q | 34,1 | 31,9 | 23,7 | 11,8 | 1,5 | 100,0 |
| 4Q | 40,6 | 26,2 | 24,9 | 12,5 | 4,2 | 100,0 |
| 1 - 4 Q 2006 | 36,6 | 30,5 | 23,2 | 12,0 | 2,3 | 100,0 |



Income approach by particular components broken down by OKEC categories

1 Q 2006

| | Gross domestic product B.1g* | Total compensation of employees D.1 | Gross operating surplus and mixed income B.2g+B.3g | Other taxes on Production - Other Subsidies on Production D.29-D.39 |
|--------------|---------------------------------|--|---|--|
| A | 11 775 | 3 693 | 8 096 | -18 |
| B | 0 | 7 | -7 | 0 |
| C | 1 703 | 715 | 990 | -3 |
| D | 74 074 | 34 234 | 39 927 | -107 |
| E | 25 492 | 4 170 | 21 352 | -24 |
| F | 20 936 | 6 027 | 14 933 | -32 |
| G | 45 620 | 22 090 | 23 583 | -90 |
| H | 4 190 | 2 008 | 2 187 | -7 |
| I | 32 309 | 10 284 | 22 062 | -46 |
| J | 15 720 | 5 574 | 10 164 | -22 |
| K | 51 695 | 11 265 | 40 490 | -72 |
| L | 13 969 | 12 822 | 1 163 | -24 |
| M | 12 473 | 10 291 | 2 196 | -18 |
| N | 12 494 | 7 019 | 5 489 | -19 |
| O | 8 468 | 3 546 | 4 932 | -12 |
| P | 0 | 7 | -7 | 0 |
| NH | 37 917 | | | |
| Total | 368 835 | 133 752 | 197 550 | -494 |

2 Q 2006

| | Gross domestic product B.1g* | Total compensation of employees D.1 | Gross operating surplus and mixed income B.2g+B.3g | Other taxes on Production - Other Subsidies on Production D.29-D.39 |
|-------|---------------------------------|--|---|--|
| A | 13 438 | 3 896 | 9 560 | -18 |
| B | 0 | 5 | -5 | 0 |
| C | 1 994 | 756 | 1 241 | -3 |
| D | 78 428 | 36 009 | 42 526 | -107 |
| E | 17 659 | 4 549 | 13 134 | -24 |
| F | 23 567 | 6 982 | 16 617 | -32 |
| G | 65 784 | 22 500 | 43 374 | -90 |
| H | 5 386 | 2 010 | 3 383 | -7 |
| I | 34 018 | 10 397 | 23 667 | -46 |
| J | 16 086 | 5 971 | 10 137 | -22 |
| K | 52 651 | 12 373 | 40 350 | -72 |
| L | 17 272 | 15 185 | 2 111 | -24 |
| M | 13 556 | 10 860 | 2 714 | -18 |
| N | 13 846 | 6 678 | 7 187 | -19 |
| O | 9 053 | 3 912 | 5 153 | -12 |
| P | 0 | 3 | -3 | 0 |
| NH | 41 033 | | | |
| Total | 403 771 | 142 086 | 221 146 | -494 |

3 Q 2006

| | Gross domestic product B.1g* | Total compensation of employees D.1 | Gross operating surplus and mixed income B.2g+B.3g | Other taxes on Production - Other Subsidies on Production D.29-D.39 |
|-------|---------------------------------|--|---|--|
| A | 18 641 | 4 110 | 14 429 | 8 |
| B | 0 | 6 | -6 | 0 |
| C | 1 931 | 765 | 1 155 | 4 |
| D | 85 423 | 38 531 | 46 427 | 159 |
| E | 20 069 | 4 599 | 15 360 | 55 |
| F | 26 640 | 7 802 | 18 692 | 47 |
| G | 63 789 | 22 411 | 41 030 | 100 |
| H | 5 501 | 2 306 | 3 165 | 9 |
| I | 37 606 | 10 788 | 26 613 | 73 |
| J | 16 844 | 4 929 | 11 823 | 33 |
| K | 51 082 | 13 075 | 37 728 | 142 |
| L | 20 623 | 13 854 | 6 656 | 34 |
| M | 12 830 | 10 370 | 2 390 | 37 |
| N | 12 743 | 7 434 | 5 239 | 35 |
| O | 9 433 | 4 073 | 5 308 | 22 |
| P | 0 | 2 | -2 | 0 |
| NH | 41 724 | | | |
| Total | 424 879 | 145 055 | 236 007 | 758 |

4 Q 2006

| | Gross domestic product B.1g* | Total compensation of employees D.1 | Gross operating surplus and mixed income B.2g+B.3g | Other taxes on Production - Other Subsidies on Production D.29-D.39 |
|-------|---------------------------------|--|---|--|
| A | 14 723 | 4 771 | 9 944 | 8 |
| B | 0 | 8 | -8 | 0 |
| C | 2 090 | 1 218 | 868 | 4 |
| D | 86 757 | 45 644 | 40 954 | 159 |
| E | 19 871 | 5 945 | 13 871 | 55 |
| F | 30 801 | 8 530 | 22 224 | 47 |
| G | 54 479 | 27 271 | 27 108 | 100 |
| H | 5 043 | 2 969 | 2 065 | 9 |
| I | 42 345 | 12 883 | 29 389 | 73 |
| J | 14 673 | 5 939 | 8 701 | 33 |
| K | 61 585 | 16 678 | 44 765 | 142 |
| L | 28 010 | 18 895 | 9 081 | 34 |
| M | 17 072 | 13 639 | 3 396 | 37 |
| N | 13 985 | 8 604 | 5 346 | 35 |
| O | 11 487 | 4 993 | 6 472 | 22 |
| P | 0 | 3 | -3 | 0 |
| NH | 35 857 | | | |
| Total | 438 778 | 177 990 | 224 173 | 758 |

1-4 Q 2006

| | Gross domestic product B.1g* | Total compensation of employees D.1 | Gross operating surplus and mixed income B.2g+B.3g | Other taxes on Production - Other Subsidies on Production D.29-D.39 |
|-------|---------------------------------|--|---|--|
| A | 58 577 | 16 470 | 42 029 | 78 |
| B | 0 | 26 | -26 | 0 |
| C | 7 718 | 3 454 | 4 254 | 10 |
| D | 324 682 | 154 418 | 169 834 | 430 |
| E | 83 091 | 19 263 | 63 717 | 111 |
| F | 101 944 | 29 341 | 72 466 | 137 |
| G | 229 672 | 94 272 | 135 095 | 305 |
| H | 20 120 | 9 293 | 10 800 | 27 |
| I | 146 278 | 44 352 | 101 731 | 195 |
| J | 63 323 | 22 413 | 40 825 | 85 |
| K | 217 013 | 53 391 | 163 333 | 289 |
| L | 79 874 | 60 756 | 19 011 | 107 |
| M | 55 931 | 45 160 | 10 696 | 75 |
| N | 53 068 | 29 735 | 23 261 | 72 |
| O | 38 441 | 16 524 | 21 865 | 52 |
| P | 0 | 15 | -15 | 0 |
| NH | 156 531 | | | |
| Total | 1 636 263 | 598 883 | 878 876 | 1 973 |

The reference framework

(260) The delineation of institutional units and sectors, classifications used and main data sources are the same as described within the production approach.

(261) All components of GDP, i.e. D.11 Wages and salaries, D.121 Employer's actual social contributions, D.122 Employer's imputed social contributions, D.211 Value added type taxes (VAT), D. 2121 Import duties, D.2122 Taxes on imports, excluding VAT and duties, D.214 Taxes on products except VAT and import taxes, D.29 Other taxes on production, D.311 Import subsidies, D.319 Other subsidies on products and D.39 Other subsidies on production are acquired from statistic surveys and administrative sources.. The values of K.1 Consumption of fixed capital, B.2 Operating surplus and B.3 Mixed income are not obtained directly from sources.

(262) All flows and stocks are expressed in monetary units at current prices. Flows are recorded on the basis of an accrual principle.

Transition from private accounting and administrative concepts to ESA95 national accounts concepts

(263) Data for the compilation of components of income approach are obtained from state statistical surveys, which contain a definition of indicators in compliance with the ESA95 methodology. Within the methodological explanatory notes on particular items, the transformation from the book-keeping system of the relevant institutional units into national accounts is ensured by references to particular accounts of accounting scheme. In those cases, where the record of a given organisation is not in line with the aforementioned requirement, the organisation is obliged to earmark the data; in more complicated cases also the qualified estimation is accepted. By using this approach, data are explored also in the case if they stem from administrative data sources.

The roles of direct and indirect estimation methods

(264) Within the calculation of GDP by income approach, only the direct and indirect estimation methods are used. The main kinds of sources are statistics surveys and administrative sources. Indirect method is used in case of consumption of fixed capital estimate (using extrapolation).

The roles of benchmarks and extrapolations

(265) Data sources for the income approach for particular institutional sectors are at our disposal regularly from the quarter statistical surveys and administrative sources, except for tips, which is calculated by extrapolation approach.

(266) Owing to the assurance of exhaustiveness of estimates, in broad terms both, the grossing-up and imputations to total population are made as the first steps in particular sectors. The items related to exhaustiveness (non-observed economy) are under-valuation of wages and tips.

6.1 Compensation of employees, including components (wages and salaries)

(267) Compensation of employees D.1 covers total remunerations in the monetary form, as well as in kind, as an award for the work being done, which the employee carried out during the given accounting time period. It is broken down into wages and salaries (D.11) and employers' social contributions (D.12). Employers' social contributions are furthermore broken down into employer actual social contributions (D.121) and employer imputed social contributions (D.122).

| | Total compensation of employees | Compensation of employees by industry ⁽¹⁾ | | | | | | |
|--|---------------------------------|--|---------------------------|-------------------------|--------------|----------------------------|---|--------------------------|
| | | Agriculture, hunting and forestry; fishing | Industry including energy | | Construction | Wholesale and retail trade | Financial, real estate, renting and business activities | Other service activities |
| | | | Total | of which: Manufacturing | | | | |

| NACE | Y | YA_B | YC_E | YD | YF | YG_I | YJ_K | YL_P |
|--------|---------|-------|--------|--------|-------|--------|--------|--------|
| 2006Q1 | 133 843 | 4 254 | 38 819 | 34 816 | 6 435 | 34 483 | 16 887 | 32 965 |
| 2006Q2 | 144 041 | 4 548 | 41 401 | 36 942 | 7 162 | 34 297 | 19 019 | 37 614 |
| 2006Q3 | 150 936 | 5 349 | 43 087 | 37 894 | 8 414 | 36 464 | 18 944 | 38 678 |
| 2006Q4 | 181 538 | 6 235 | 51 312 | 43 740 | 9 924 | 42 526 | 23 467 | 48 074 |

(268) **D.11 Wages and salaries** involve main part of labour costs, paid to employees as remuneration for work, or redemptions of wages of employees on the basis legal relation (working relationship, member relation) to employer. Include only wages paid in observed period. Wages are presented only in gross units and in SKK, unreduced by deductions arranged between employee and employers or legal deductions (before reducing by allowance of employees to National employment office (NEO) and payments for health insurance, pension scheme, advance payment of income tax paid by natural persons, aliments, fines and penalties, repayments of loans and others.

| | Total wages and salaries | Wages and salaries by industry | | | | | | |
|--|--------------------------|--|---------------------------|-------------------------|--------------|----------------------------|---|--------------------------|
| | | Agriculture, hunting and forestry; fishing | Industry including energy | | Construction | Wholesale and retail trade | Financial, real estate, renting and business activities | Other service activities |
| | | | Total | of which: Manufacturing | | | | |

| NACE | Y | YA_B | YC_E | YD | YF | YG_I | YJ_K | YL_P |
|--------|---------|-------|--------|--------|-------|--------|--------|--------|
| 2006Q1 | 106 697 | 3 359 | 30 944 | 27 420 | 5 297 | 27 605 | 13 297 | 26 195 |
| 2006Q2 | 111 831 | 3 416 | 32 303 | 28 833 | 5 658 | 26 851 | 14 410 | 29 193 |
| 2006Q3 | 115 103 | 3 953 | 33 120 | 29 385 | 6 491 | 28 095 | 13 933 | 29 511 |
| 2006Q4 | 139 560 | 4 710 | 39 675 | 34 031 | 7 704 | 32 975 | 17 580 | 36 916 |

(269) The groundwork for the calculation of Wages and Salaries D.11 is formed by the statistical questionnaires Prod 3-04, Práca 2-04, Pen P3-04, Pin P3-04, Poi P3-04 (module 5) and P13-04 (module 143).

Wages and salaries in these surveys are defined as:

- Wages and redemptions of wages of employees
- Redemption for the emergency service
- Other payments from costs
- Severance pay

(270) **D.121 The employers' actual social contributions** are to be considered as social contributions paid by employers for the benefit of their employees into the social security funds or other institutional units responsible for the administration and the management of social insurance system. Although the employer pays them directly to the social security fund or another system, the payments are carried out for the benefit of the employees.

(271) Value of actual social contributions consists from the amounts representing: the compulsory social contributions of employers, voluntary social contributions of employers, i.e. contributions which are paid by employers for the supplementary pension insurance of employees into the supplementary pension insurance companies (a private social security system financed from funds) and the difference amounting to the impact of the application of an accrual principle. The compulsory social contributions of employers consist from the payments of employers on the health, sickness and pension insurance and the contribution for the insurance against unemployment.

Data sources

(272) For the calculation of D.121 data sources are mixed, i.e. in question is a combination of direct data sources statistical and data obtained from the Ministry of Labour, Social Affairs and Family of the SR related to the contributions of employers paid for the purposes of supplementary pension insurance on behalf of their employees.

(273) Estimate of actual social contributions (compulsory) paid by resident units can be obtained from side of actual beneficiary – social security funds.

D.121 Actual Employers' social contributions

| | Actual Employers' social contributions D.121 |
|------|--|
| 1Q | 30 240 |
| 2Q | 32 925 |
| 3Q | 34 268 |
| 4Q | 40 373 |
| 2006 | 137 806 |

(274) **D.122 Employers' imputed social contributions** represent a counterpart to social benefits not financed from funds, which are paid directly by the employers to their employees or to other entitled persons without the participation of insurance companies or autonomous pension funds and without the generation of a special fund or separated reserves for such purpose. In the sector of financial corporations,

the D.122 is formed by social costs, which are paid directly by the employers to their employees, their relatives or to former workers and which are of a social support nature, e.g. expenditures on working and social conditions and health care, sickness allowances, maternity benefits, disability allowances, death, educational allowances, pensions, survivor's pensions. The fellowships, benefits other than social being paid from the general health and social insurance scheme and the item representing the income in kind of employees are not included.

Data sources

(275) Quarterly, data of employer's redemption for temporary disablement are available from surveys in questionnaire *Práca 2-04*, module 5, and quarter surveys *Prod 3-04*, *Pen P 3-04*, *Poi P 3-04*, *Pin P 3-04* (module 5) and in questionnaire *P 13-04*, module 143.

(276) Here belongs also the income in kind, which covers goods and services or other advantages, which are provided by the employer free of charge or for reduced prices to the employees being used by them according to their own decisions for own use or for the use of their relatives. These goods and services or other advantages are to be considered as a supplementary income for the employee. In question are, e.g. food and beverages, including those, which were consumed during business trips, however, less the special food or beverages, which are required under the exceptional working conditions; advantaged prices, which are offered to the employee in canteens, where the catering is free of charge or subsidised, or when using food coupons; uniforms or other types of special apparel, which can be used by the employee at work or outside his/her workplace; provision of transport services, provision of motor car to the employees for private purposes or provision of other durables for personal use; own account produced goods and services; provision of sporting, recreational or holiday facilities for employees and their relatives; commutation; provision of nursery services for the children of employees; own or purchased housing services which can be used by all household members; payments, which are paid by the employer to the trade unions or to similar bodies; bonuses distributed to employees; value of interest set down in advance by the employers, if they provide loans to their employees with a reduced or nil interest rate.

D.122 Imputed Employers' social contributions

| | Imputed Employers' social contributions D.122 |
|------|--|
| 1Q | 747 |
| 2Q | 853 |
| 3Q | 633 |
| 4Q | 1 135 |
| 2006 | 3 368 |

6.2 Taxes less subsidies on production

(277) Other taxes on production consist of all taxes that enterprises incur as a result

of engaging in production, independently of the quantity or value of the goods and services produced or sold. Other taxes on production include in particular taxes on the ownership or use of land, buildings, or other structures utilised by enterprises in production; taxes on the use of fixed assets (vehicles, machinery, equipment); taxes on motor-cars; taxes on pollution resulting from production activities; taxes paid by enterprises in order to obtain business and professional licences; additional fees on waste storage; fees on dwellings, which are used to other purposes than housing; fees on usage of public space; sales on fiscal stamps and stamps. Accounting statements, fulfilment of state budget, state closing account, and information from Tax Directorate of SR are the main data sources to compile the other taxes on production.

(278) Other subsidies on production includes subsidies on salaries or on employment of particular type of persons such as physically handicapped persons or persons who have been unemployed for long periods, or on costs of training schemes organised or financed by enterprises, subsidies to reduce pollution, subsidies (in effect current transfers) designed to lighten producers' operating costs. Accounting statements, fulfilment of state budget, state closing account, and information on EU flows from MoF SR are the main data sources to compile the other subsidies on production.

6.3. Gross operating surplus & mixed income

Gross operating surplus

(279) Gross operating surplus for the national economy is the sum of net operating surpluses for particular sectors, grossed-up by the consumption of fixed capital. Gross operating surplus is the balancing item and thus it is not figured out separately

Mixed income

(280) Mixed income is a balancing item of the generation of income account of the sector of households and is not figured out separately

Consumption of fixed capital

(281) The calculation of consumption of fixed capital (CFC) is based in all sectors and sub-sectors on the value of durable tangible and intangible assets expressed at replacement prices. Perpetual Inventory Method (PIM) is used. Perpetual Inventory Method (PIM) is based on the use of data on the gross fixed capital formation during the longer time period combined with data on the service life of particular types of fixed assets. Application of this method provides at the same time data on stocks of durable tangible and intangible fixed assets and the consumption of fixed capital for the given time period.

(282) The application of PIM requires the following information:

- data on the value of durable tangible and intangible fixed assets in the starting time period,
- data on GFCF for each time period,
- data on service life of particular types of durable tangible and intangible fixed assets,

data on changes in prices of particular types of fixed assets.

Chapter 7 Population and employment

7.1. Population

(283) For Quarter national accounts using, the Population is established from data set of Social statistic and demographic department. It is average between first and last day of referent period (quarter).

| | Population 1.1.2006 | Population 31.3.2006 | Population 1.4.2006 | Population 30.6.2006 | Population 1.7.2006 | Population 30.9.2006 | Population 1.10.2006 | Population 31.12.2006 |
|------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|--------------------------|
| Population | 5 389 175 | 5 389 129 | 5 389 129 | 5 390 404 | 5 390 404 | 5 392 739 | 5 392 739 | 5 393 641 |
| | 5 389 152 | | 5 389 767 | | 5 391 572 | | 5 393 190 | |

Population includes all persons (native and foreigner), in economic area of country although they are not staying in this country temporarily.

7.2. Employment: persons

(284) **Employment** is expressed through number of employment persons (employees and self-employed persons) who are involved in production activity within production in SNA.

(285) **Employees** (number of persons) are defined as persons who work on the basis of formal or informal contract for other resident unit, for financial or natural compensation.

There are included:

- Persons worked on the basis of working agreement
- Public servants and other employees of state administration, who have relations and conditions of employment defined by law.
- Army – military
- Clerical employees if they are paid by non-profits institution or by state.
- Owners of corporations when they work in these companies.
- External employees, if there existing agreement of remuneration on the basis of done work.
- Invalid employees, if there existing official or non-official relation between employer and employees.

(286) There are included persons, temporarily does not work because of disease or injury, they are on holyday, they strikes, they are on the mother leaves.

(287) **Self-employed** (number of persons) are defined as persons, who are owners or part-owner of un-corporate enterprise (company) where they work as in their main job. There can by involved unpaid, assisting members of family who work in un-corporate company as at their main job.

| | Total employment in national economy | Total employment (in thousand of persons) | | | | | | |
|--|--------------------------------------|--|---------------------------|-------------------------|--------------|----------------------------|---|--------------------------|
| | | Agriculture, hunting and forestry; fishing | Industry including energy | | Construction | Wholesale and retail trade | Financial, real estate, renting and business activities | Other service activities |
| | | | Total | of which: Manufacturing | | | | |

| NACE | Y | YA_B | YC_E | YD | YF | YG_I | YJ_K | YL_P |
|--------|----------|-------|--------|--------|--------|--------|--------|--------|
| 2006Q1 | 2 101,39 | 78,51 | 554,30 | 508,59 | 149,73 | 601,75 | 206,86 | 510,24 |
| 2006Q2 | 2 121,61 | 86,09 | 554,53 | 508,51 | 155,05 | 610,88 | 208,09 | 506,97 |
| 2006Q3 | 2 148,35 | 87,40 | 569,44 | 523,30 | 161,80 | 617,92 | 207,78 | 504,01 |
| 2006Q4 | 2 155,03 | 84,74 | 570,58 | 524,60 | 160,23 | 608,57 | 215,73 | 515,18 |

| | Total employment in national economy | Employees (in thousand of persons) | | | | | | |
|--|--------------------------------------|--|---------------------------|-------------------------|--------------|----------------------------|---|--------------------------|
| | | Agriculture, hunting and forestry; fishing | Industry including energy | | Construction | Wholesale and retail trade | Financial, real estate, renting and business activities | Other service activities |
| | | | Total | of which: Manufacturing | | | | |

| NACE | Y | YA_B | YC_E | YD | YF | YG_I | YJ_K | YL_P |
|--------|----------|-------|--------|--------|--------|--------|--------|--------|
| 2006Q1 | 1 825,72 | 64,96 | 517,56 | 471,86 | 108,05 | 473,09 | 173,35 | 488,71 |
| 2006Q2 | 1 844,13 | 71,63 | 518,74 | 472,74 | 113,09 | 480,46 | 174,87 | 485,33 |
| 2006Q3 | 1 875,01 | 72,61 | 533,44 | 487,32 | 119,27 | 490,62 | 176,99 | 482,08 |
| 2006Q4 | 1 876,05 | 69,08 | 531,50 | 485,54 | 119,55 | 482,61 | 180,86 | 492,46 |

| | Total employment in national economy | Self-employers (in thousand of persons) | | | | | | |
|--|--------------------------------------|--|---------------------------|-------------------------|--------------|----------------------------|---|--------------------------|
| | | Agriculture, hunting and forestry; fishing | Industry including energy | | Construction | Wholesale and retail trade | Financial, real estate, renting and business activities | Other service activities |
| | | | Total | of which: Manufacturing | | | | |

| NACE | Y | YA_B | YC_E | YD | YF | YG_I | YJ_K | YL_P |
|--------|--------|-------|-------|-------|-------|--------|-------|-------|
| 2006Q1 | 275,67 | 13,55 | 36,74 | 36,72 | 41,68 | 128,66 | 33,51 | 21,53 |
| 2006Q2 | 277,48 | 14,45 | 35,79 | 35,77 | 41,96 | 130,42 | 33,22 | 21,64 |
| 2006Q3 | 273,34 | 14,79 | 36,00 | 35,98 | 42,53 | 127,30 | 30,79 | 21,93 |
| 2006Q4 | 278,98 | 15,66 | 39,08 | 39,06 | 40,69 | 125,96 | 34,87 | 22,73 |

Adjustment of employment for domestic concept consists on data harmonisation provided by statistic enterprises surveys and labour force sample survey.

Adjustment of LFS data

(288) Supply side is represented by the data obtained from LFS, i.e. number of person employed divided into employees and self-employed. Data from LFS are considered to be more complete as regards covering of production activities, and definition of employment, and it contains also part of non-observed economy.

(289) With respect to the way the survey is running, LFS doesn't cover all types of households. Workers living in collective households are not covered (hostels, hall of residence, etc.) LFS data thus correspond with definition of national concept, i.e. they present number of persons employed living in households in SR without regard to the place of its work (abroad or SR). For comparison purpose they need to be adjusted to the same concept as the data from demand side. Adjustment of data from LFS into domestic concept (under ESA 95) consists of two steps:

Adjustment for persons living in collective households

(290) Estimate of students living in hostels occasionally working as well as estimate of members of different monasteries is added.

Adjustment to domestic concept

(291) Estimate of residents working abroad and employees of foreign embassies is deducted. On other hand we add number of non-residents working in SR and employees of our embassies and other institutions abroad.

(292) Besides mentioned adjustments, the number of women on maternity leave is added as well, because they are not included in total number of persons employed in enterprise surveys. After final reconciliation they are additionally added to the total number of persons employed.

All the referable items used for concept adjustment are estimated on the basis of trends and relations obtained for the quarters of the previous year

Adjustment of enterprise survey data

(293) Demand side is represented by enterprise survey data, which match definition of domestic concept, so other concept adjustments are not needed. Since 2007, data are supplemented with number of persons working in security and army forces, which has not been included in regular survey.

(294) **Average registration number of employees** is the main indicator in enterprise surveys. It thus comprises persons with main and also with other jobs. In total for the whole economy it presents number of all jobs of employed persons (total number of jobs in economy). For the reason of its comparison with LFS, which contains number of persons in main jobs, it divides number of persons into main jobs and other jobs. We can thus stated following:

Number of persons employed = number of main jobs

Number of main jobs = total number of jobs – number of other jobs

From the demand side the data for average registration number of employees is available.

(295) Main jobs are calculated according to coefficient of main jobs from annual accounts.

Number of self-employed is taken from LFS. The basis for number of employees of self-employed persons estimation represents number of self-employed (as employers) and average number of employees pertains to one self-employed person.

Consolidation

(296) By consolidation of data from LFS and enterprise surveys number of persons employed between supply and demand sides on aggregated level is compared. Obtained difference in number of main jobs is added to data from demand side. Non-identified difference is considered to be non-registered employment on demand side, and it represents also so called black employment.

(297) Number of self-employed from administrative sources is compared to number obtained from LFS. Difference between self-employed from both sources is considered for other jobs

7.3. Employment: total hours worked

(298) Represents number of hours actually worked by employees and self-employed persons as well during the accounting period within their production fall into the defined frame of production.

There are not included paid but not worked out hours, holydays, public holydays, diseases, breaks for eating, transport to/from work).

The main sources of number of worked hours are enterprises surveys (Praca2-04, Prod3-04, Pen P3-04, Pin P3-04, Poi P3-04, P13-04.) Number of worked hours by self-employed persons is obtained from Labour force sample survey. Established number of worked hours is supplemented with worked hours estimate of unregistered jobs.

| | For national economy | Worked hours of employed persons (in mil.) | | | | | | |
|--|----------------------|--|---------------------------|-------------------------|--------------|----------------------------|---|--------------------------|
| | | Agriculture, hunting and forestry; fishing | Industry including energy | | Construction | Wholesale and retail trade | Financial, real estate, renting and business activities | Other service activities |
| | | | Total | of which: Manufacturing | | | | |

| NACE | Y | YA_B | YC_E | YD | YF | YG_I | YJ_K | YL_P |
|--------|---------|--------|---------|---------|--------|---------|---------|---------|
| 2006Q1 | 936 477 | 35 349 | 248 958 | 228 890 | 65 141 | 275 486 | 96 565 | 214 978 |
| 2006Q2 | 965 529 | 40 524 | 242 659 | 223 012 | 74 811 | 285 110 | 101 011 | 221 414 |
| 2006Q3 | 899 574 | 40 812 | 234 725 | 216 554 | 77 473 | 273 197 | 90 189 | 183 178 |
| 2006Q4 | 928 866 | 37 216 | 241 037 | 222 189 | 69 283 | 273 122 | 93 833 | 214 375 |

| | For national economy | Worked hours of employees (in mil.) | | | | | | |
|--|----------------------|--|---------------------------|-------------------------|--------------|----------------------------|---|--------------------------|
| | | Agriculture, hunting and forestry; fishing | Industry including energy | | Construction | Wholesale and retail trade | Financial, real estate, renting and business activities | Other service activities |
| | | | Total | of which: Manufacturing | | | | |

| NACE | Y | YA_B | YC_E | YD | YF | YG_I | YJ_K | YL_P |
|--------|---------|--------|---------|---------|--------|---------|--------|---------|
| 2006Q1 | 780 796 | 27 995 | 227 932 | 207 878 | 42 894 | 201 459 | 76 065 | 204 451 |
| 2006Q2 | 811 066 | 32 134 | 222 656 | 203 022 | 51 375 | 212 333 | 81 359 | 211 209 |
| 2006Q3 | 741 234 | 32 250 | 213 520 | 195 360 | 52 663 | 198 825 | 71 850 | 172 126 |
| 2006Q4 | 775 776 | 28 795 | 219 210 | 200 373 | 47 524 | 201 360 | 75 058 | 203 829 |

| | For national economy | Worked hours of Self-employers (in mil.) | | | | | | |
|--|----------------------|--|---------------------------|-------------------------|--------------|----------------------------|---|--------------------------|
| | | Agriculture, hunting and forestry; fishing | Industry including energy | | Construction | Wholesale and retail trade | Financial, real estate, renting and business activities | Other service activities |
| | | | Total | of which: Manufacturing | | | | |

| NACE | Y | YA_B | YC_E | YD | YF | YG_I | YJ_K | YL_P |
|--------|---------|-------|--------|--------|--------|--------|--------|--------|
| 2006Q1 | 155 681 | 7 354 | 21 026 | 21 012 | 22 247 | 74 027 | 20 500 | 10 527 |
| 2006Q2 | 154 463 | 8 390 | 20 003 | 19 990 | 23 436 | 72 777 | 19 652 | 10 205 |
| 2006Q3 | 158 340 | 8 562 | 21 205 | 21 194 | 24 810 | 74 372 | 18 339 | 11 052 |
| 2006Q4 | 153 090 | 8 421 | 21 827 | 21 816 | 21 759 | 71 762 | 18 775 | 10 546 |

Chapter 8 From GDP to net lending/borrowing

8.1. Primary income from/to the ROW (D.1 to D.4), gross national income

8.1.1 Introduction

(299) Compensation of employees comprises wages, salaries and other benefits (including employers social contributions) paid to non- resident workers in resident economy. On the income side there are the compensation paid by non-resident employers to Slovak employees, and on the expenditure side, the compensation paid by Slovak employers to non-resident employees. Personal expenditure made by non-resident seasonal and border workers in the economies in which they are employed are recorded under travel within trade in services.

8.1.2 Compensation of employees (D.1) in Balance of Payments

(300) Compensation of employees includes transaction in relation to transfers of wages, salaries and other compensations earned by natural persons during their work abroad (this relates to residents abroad and non-residents in the Slovak Republic). The data on compensation of employees are combined from estimations and from banking reports Dev (NBS) 12-12 and V (NBS) 15-12. Wages, salaries and other benefits are estimated as the number of seasonal and border workers and average monthly earnings. Average monthly earnings and number of seasonal workers are taken from Ministry of Labour, Social Affairs and Family of the Slovak Republic and from Ministry of Foreign Affairs of the Slovak Republic. These data are estimated through Statistical Office of the Slovak Republic. The estimations of not registered workers are made by SOSR.

Compensation of employees in the BOP

in mill. SKK

| | From banking reports | | | | | After adjustments | | | | |
|---------------|----------------------|----------|----------|----------|--------|-------------------|----------|----------|----------|--------|
| | 1. Q. 06 | 2. Q. 06 | 3. Q. 06 | 4. Q. 06 | R 2006 | 1. Q. 06 | 2. Q. 06 | 3. Q. 06 | 4. Q. 06 | R 2006 |
| Credit | 222 | 220 | 324 | 349 | 1 115 | 7 200 | 8 400 | 7 800 | 8 800 | 32 200 |
| Debit | 287 | 352 | 294 | 327 | 1 260 | 314 | 404 | 332 | 363 | 1 413 |

8.1.2.1 Calculation of wages in national accounts – from the ROW

(301) Until 2000, the data on wages were taken over from the National Bank of Slovakia without any additional adjustments. In 2003, based on the findings of the number of legally working residents of the SR in the ROW and the average wages in these countries, a calculation of wages of Slovak residents working abroad was done; see the following table.

Calculation of wages of residents

| | CZ | DE | AT | Other countries | Total legal | Illegal | Total |
|---|-----------|-----------|-----------|------------------------|--------------------|----------------|--------------|
| Number of workers (average for 2006) | 64 840 | 6 523 | 6 008 | 33 517 | 110 888 | 16 250 | 127 138 |
| Average monthly wage SKK | 20 100 | 1 600 | 1 400 | | | 1 000 | |
| Exchange rate | 1,314 | 37,248 | 37,248 | | | 37,248 | |
| Total wages in mill. SKK | 20 550 | 4 665 | 3 760 | | | 7 263 | |
| D11 wage decreased to 72% from the average wage | 14 796 | 3 359 | 2 707 | 16 909 | 37 771 | 5 230 | 43 000 |
| D12 Employers' social contributions in mill. SKK | 3 430 | 571 | 460 | 2 764 | 7 225 | | 7 225 |
| D1 Compensation of employees in mill. SKK | 18 226 | 3 930 | 3 167 | 19 675 | 44 996 | 5 230 | 50 225 |
| | | | | | | | |
| Number of workers (average for 1.Q.2006) | 64 500 | 6 500 | 5 900 | 32 907 | 109 807 | 14 330 | 124 137 |
| Average monthly wage SKK | 19 600 | 1 500 | 1 300 | | | 999 | |
| Exchange rate | 1,31 | 37,457 | 37,457 | | | 37,457 | |
| Total wages in mill. SKK | 4 968 | 1 096 | 862 | | | 1 609 | |
| D11 wage decreased to 72% from the average wage | 3 577 | 789 | 621 | 4 121 | 9 108 | 1 158 | 10 266 |
| D12 Employers' social contributions in mill. SKK | 859 | 134 | 105 | 687 | 1 786 | | 1 786 |
| D1 Compensation of employees in mill. SKK | 4 436 | 923 | 726 | 4 809 | 10 894 | 1 158 | 12 052 |
| | | | | | | | |
| Number of workers (average for 2.Q.2006) | 64 500 | 6 500 | 5 900 | 32 390 | 109 290 | 14 330 | 123 620 |
| Average monthly wage SKK | 20 000 | 1 500 | 1 300 | | | 999 | |
| Exchange rate | 1,328 | 37,687 | 37,687 | | | 37,687 | |
| Total wages in mill. SKK | 5 139 | 1 102 | 867 | | | 1 619 | |
| D11 wage decreased to 72% from the average wage | 3 700 | 794 | 624 | 3 996 | 9 114 | 1 165 | 10 279 |
| D12 Employers' social contributions in mill. SKK | 888 | 127 | 100 | 664 | 1 778 | | 1 778 |
| D1 Compensation of employees in mill. SKK | 4 588 | 921 | 724 | 4 659 | 10 892 | 1 165 | 12 057 |
| | | | | | | | |
| Number of workers (average for 3.Q.2006) | 64 500 | 6 500 | 5 900 | 33 060 | 109 960 | 14 373 | 124 333 |
| Average monthly wage SKK | 20 000 | 1 500 | 1 300 | | | 999 | |
| Exchange rate | 1,336 | 37,861 | 37,861 | | | 37,861 | |
| Total wages in mill. SKK | 5 170 | 1 107 | 871 | | | 1 631 | |
| D11 wage decreased to 72% from the average wage | 3 723 | 797 | 627 | 4 094 | 9 242 | 1 174 | 10 416 |
| D12 Employers' social contributions in mill. SKK | 893 | 128 | 100 | 681 | 1 802 | | 1 802 |
| D1 Compensation of employees in mill. SKK | 4 616 | 925 | 728 | 4 777 | 11 044 | 1 174 | 12 218 |
| | | | | | | | |
| Number of workers (average for 4.Q.2006) | 67 540 | 7 093 | 6 358 | 35 891 | 116 882 | 25 900 | 142 782 |
| Average monthly wage SKK | 20 150 | 1 580 | 1 450 | | | 1 120 | |
| Exchange rate | 1,282 | 35,975 | 35,975 | | | 35,975 | |
| Total wages in mill. SKK | 5 234 | 1 210 | 995 | | | 3 131 | |
| D11 wage decreased to 72% from the average wage | 3 769 | 871 | 716 | 4 428 | 9 785 | 2 254 | 12 039 |
| D12 Employers' social contributions in mill. SKK | 897 | 139 | 115 | 707 | 1 859 | | 1 859 |
| D1 Compensation of employees in mill. SKK | 4 666 | 1 010 | 831 | 5 137 | 11 644 | 2 254 | 13 898 |

The estimates on illegal non-residents are being made on the basis of border crossings, after deduction of tourists. In 2006, 127 thousand residents travelled for job-seeking purposes.

8.1.2.2 Calculation of wages in national accounts – paid to the ROW

(302) Data on non-residents legally working in the SR are available regularly on a quarterly basis from Ministry of Labour, Social Affairs and Family of the SR. We are monitoring the average quarterly wage in the SR, based on which the gross wage is adjusted by a coefficient in accordance to the country of origin. The country coefficient is calculated from the comparison between the average wage in the given country and the average wage in the SR. According to our information, non-residents from advanced countries are working at the more professional posts with higher wage and the non-residents from other countries are working rather on posts requiring lower skills with a lower wage. From the gross wage adjusted as described, the calculation of real social contributions had been made, what in 2006 represented 25,5%.

Calculation of wages of non-residents

| | CZ | DE | FR | PL | Other from EU | Other | Total legal | Illegal | Total |
|---|--------|--------|--------|--------|---------------|--------|-------------|---------|--------|
| Number of non-residents (average 2006) | 1 150 | 449 | 745 | 1 025 | 1403 | 1 774 | 6 546 | 5 250 | 11 796 |
| Base for the wage calculation in SKK | 19 434 | 19 434 | 19 434 | 19 434 | 19 434 | 19 434 | | 19 434 | |
| Average monthly wage in SKK after the calculation by a coefficient | 268 | 105 | 174 | 239 | 327 | 414 | 1 236 | 1 224 | |
| D.1 Compensation of employees in mill. SKK | 429 | 262 | 434 | 359 | 649 | 587 | 2 399 | 1 300 | 3 700 |
| D.121 Actual social contributions in mill. SKK | 86 | 52 | 87 | 72 | 130 | 118 | 480 | | 480 |
| D.11 Wages and salaries in mill. SKK | 515 | 314 | 521 | 430 | 779 | 704 | 2 879 | 1 300 | 4 180 |
| | | | | | | | | | |
| Number of non-residents (average 1.Q.2006) | 1 143 | 440 | 742 | 1 012 | 1415 | 1 577 | 6 329 | 4 310 | 10 639 |
| Base for the wage calculation in SKK | 17 831 | 17 831 | 17 831 | 17 831 | 17 831 | 17 831 | | 17 831 | |
| Average monthly wage in SKK after the calculation by a coefficient | 61 | 24 | 40 | 54 | 76 | 85 | 339 | 231 | |
| D.1 Compensation of employees in mill. SKK | 83 | 52 | 87 | 65 | 132 | 116 | 535 | 180 | 715 |
| D.121 Actual social contributions in mill. SKK | 17 | 10 | 17 | 13 | 26 | 24 | 107 | | 107 |
| D.11 Wages and salaries in mill. SKK | 99 | 62 | 105 | 78 | 158 | 139 | 643 | 180 | 822 |
| | | | | | | | | | |
| Number of non-residents (average 2.Q.2006) | 1 148 | 445 | 746 | 1 022 | 1401 | 1 734 | 6 496 | 5 189 | 11 685 |
| Base for the wage calculation in SKK | 19 138 | 19 138 | 19 138 | 19 138 | 19 138 | 19 138 | | 19 138 | |
| Average monthly wage in SKK after the calculation by a coefficient | 66 | 26 | 43 | 59 | 81 | 100 | 373 | 298 | |
| D.1 Compensation of employees in mill. SKK | 105 | 59 | 99 | 70 | 144 | 134 | 612 | 306 | 918 |
| D.121 Actual social contributions in mill. SKK | 21 | 11 | 19 | 13 | 28 | 26 | 119 | | 119 |
| D.11 Wages and salaries in mill. SKK | 127 | 70 | 117 | 84 | 174 | 159 | 731 | 306 | 1 037 |
| | | | | | | | | | |
| Number of non-residents (average 3.Q.2006) | 1 149 | 449 | 745 | 1 015 | 1354 | 1 344 | 6 056 | 6 182 | 12 238 |
| Base for the wage calculation in SKK | 19 022 | 19 022 | 19 022 | 19 022 | 19 022 | 19 022 | | 19 022 | |
| Average monthly wage in SKK after the calculation by a coefficient | 66 | 26 | 43 | 58 | 77 | 77 | 346 | 353 | |

| | | | | | | | | | |
|---|-----|----|-----|-----|-----|-----|-----|-----|-------|
| D.1 Compensation of employees in mill. SKK | 105 | 64 | 106 | 87 | 153 | 116 | 633 | 362 | 995 |
| D.121 Actual social contributions in mill. SKK | 19 | 12 | 19 | 17 | 28 | 21 | 115 | | 115 |
| D.11 Wages and salaries in mill. SKK | 124 | 76 | 125 | 103 | 182 | 138 | 748 | 362 | 1 110 |

| | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|-------|--------|--------|
| Number of non-residents (average 4.Q.2006) | 1 150 | 449 | 745 | 1 025 | 1403 | 1 774 | 6 546 | 4 710 | 11 256 |
| Base for the wage calculation in SKK | 21 677 | 21 677 | 21 677 | 21 677 | 21 677 | 21 677 | | 21 677 | |
| Average monthly wage in SKK after the calculation by a coefficient | 75 | 29 | 48 | 67 | 92 | 115 | 426 | 306 | |
| D.1 Compensation of employees in mill. SKK | 120 | 73 | 121 | 100 | 182 | 163 | 758 | 314 | 1 072 |
| D.121 Actual social contributions in mill. SKK | 23 | 13 | 22 | 19 | 33 | 29 | 139 | | 139 |
| D.11 Wages and salaries in mill. SKK | 142 | 86 | 143 | 119 | 213 | 192 | 897 | 314 | 1 211 |

Estimates for not-registered non-residents are made based on border crossings, after the deduction of tourists. In 2006, 6,5 thousand non-residents legal and app. 5 thousand illegal came to the SR for the purposes of job seeking.

(303) Information on net wages of residents and non-residents taken over from Balance of Payments are presented in following table. These data were adjusted based on data calculated by countries for the purposes of national accounts. Furthermore, for the purposes of national accounts, grossing-ups for wages of illegal workers and their social contributions are made too.

Wages of residents and non-residents

in mill. SKK

| NBS | credit | debit | SOSR | import | export |
|---------------------------|---------------|--------------|---|---------------|---------------|
| 2006 | | | | | |
| <i>Net wages from BoP</i> | 1 115 | 1 260 | Calculations by countries | 37 771 | 2 399 |
| | 31 085 | 153 | Grossing-ups for illegal workers | 5 230 | 1 300 |
| | | | Grossing up for premiums | 7 225 | 480 |
| Total | 32 200 | 1 413 | | 50 225 | 4 180 |
| 2006 1.Q | | | | | |
| <i>Net wages from BoP</i> | 191 | 221 | Calculations by countries | 9 108 | 535 |
| | 7 609 | 93 | Grossing-ups for illegal workers | 1 158 | 180 |
| | | | Grossing up for premiums | 1 786 | 107 |
| Total | 7 800 | 314 | | 12 052 | 822 |
| 2006 2.Q | | | | | |
| <i>Net wages from BoP</i> | 184 | 330 | Calculations by countries | 9 114 | 612 |
| | 7 616 | 74 | Grossing-ups for illegal workers | 1 165 | 306 |
| | | | Grossing up for premiums | 1 778 | 119 |
| Total | 7 800 | 404 | | 12 057 | 1 037 |
| 2006 3.Q | | | | | |
| <i>Net wages from BoP</i> | 217 | 268 | Calculations by countries | 9 242 | 633 |
| | 7 583 | 64 | Grossing-ups for illegal workers | 1 174 | 362 |
| | | | Grossing up | 1 802 | 115 |

| | | | | | |
|---------------------------|--------------|------------|---|---------------|--------------|
| | | | for premiums | | |
| Total | 7 800 | 332 | | 12 218 | 1 110 |
| 4.Q | | | | | |
| 2006 | | | | | |
| <i>Net wages from BoP</i> | 222 | 294 | Calculations by countries | 9 785 | 758 |
| | 7 578 | 69 | Grossing-ups for illegal workers | 2 254 | 314 |
| | | | Grossing up for premiums | 1 859 | 139 |
| Total | 7 800 | 363 | | 13 898 | 1 211 |

8.1.3 Taxes on production and imports D2

(304) The reporting of taxes on production and import has been implemented since the accession into the EU, i.e. starting with 2004. Data on withdrawals of own resources from VAT, gross national income and corrections made in terms of the U.K., as well as of traditional own resources (customs and agricultural fees), are taken over from the State Closing Account, submitted by the Ministry of Finance of the SR in combination with data obtained from the NBS and the State Treasury.

8.1.4 Subsidies D3

(305) Since 2004, data on subsidies from the EU have been taken over from the State Closing Account being submitted by the MFSR in combination with data obtained from the NBS and the State Treasury.

8.1.5 Property Income D4

8.1.5.1 Interest D41

(306) Interest on deposits and loans of commercial banks and other sectors are received from banking reports Dev (NBS) 12-12 and V (NBS) 15-12. Information on interest of government and NBS loans paid and received is taken from the report of Settlement Department of NBS. Interest on central bank reserves (on deposits with foreign banks and income and expenses connected with repo operations) is taken from accounting records of NBS.

(307) Since EU accession, the reporting guidelines for banks have been including an exemption threshold for all customer transactions below €12,500. Missing transactions are estimated according to the results of specialized questionnaire (2003), which was sent to Slovak commercial banks.

The data are compiled under the terms and conditions of generally valid rules of law and measures.

The BoP compilation is a combination of the usage of individual data sources from banks and the direct questionnaires.

(308) Data on individual transactions are supplied through ITRS on a monthly basis by each of the commercial banks, classified according to a list of codes that cover the current account, capital account and financial account, as well as transactions that do

not fall within the scope of the BoP. Data are classified according to the sector of the resident transactor unit. This is supplemented by information on *transactions through accounts held abroad* by enterprises, and from the beginning of 2004, accounts held abroad by individuals (who are required to register with NBS). Data on transactions through accounts held by non-residents in the Slovak Republic are also collected.

(308) The **monthly survey of enterprises** covers approximately 4,500 enterprises. It covers all transactions as well as stocks of financial assets and liabilities. Reporting units are financial institutions other than banks, securities traders and non-financial enterprises. Since 2005, a threshold for non-reporting data on assets or liabilities has been determined at the level of 10 million SKK. The survey fully covers all enterprises that are above the threshold.

(309) The **quarterly and annual surveys of direct investment enterprises** cover 1,500 direct investment enterprises. These enterprises are also included in the monthly survey and their updating is depending on upgrading business register. Breakdowns by geographical area and by sector of economic activity are obtained quarterly, and more detailed data are obtained on an annual basis, in particular for reverse investment and reinvested earnings. The annual survey was first conducted for the year 2002.

(310) The **FDI register** is maintained by the NBS and is updated on an ongoing basis using information from compulsory direct investment surveys. FDI register is crosschecked with register from Statistical office of the Slovak Republic (FATS register). A closed control system is used to check individual reports and inter-report controls are also carried out. For example, commercial bank statements are checked against enterprise surveys for selected items. Individual reports are also checking with the business register to verify some particular data. There is *direct reporting by commercial banks* of their own account transactions in both domestic and foreign currency with non-residents, as well as the respective stocks.

(311) **Transactions of NBS**, including those in reserve assets, are obtained directly from the Treasury Department of NBS. These data sources are moreover supplemented by information from commercial banks acting as **custodians** for the non-resident holders of national securities and report activity related to these securities. Data on the disbursement and repayment of government borrowings are obtained directly from NBS (which conducts these transactions on behalf of the Government). The Ministry of Finance provides data on the stock of government liabilities. While income transactions are recorded primarily on a cash basis, an adjustment is made to estimate the accrual of interest on government bonds denominated in domestic currency. Dividends are recorded either at the date payable or the date declared payable. Since 2004, the data collection methodology has been changed and the accrual of interest is available for all items.

8.1.5.1.1 Direct Investment

(312) **Direct interest earnings** include interest on inter-company debt and profits from branches or other unincorporated enterprises. **Earnings on property** cover transaction related to the transfer of share in the profits earmarked for distribution (dividends) and receipts and payments relating to other forms of earnings, such as the receipts from rental of real property are obtained from banking reports: Dev (NBS) 12-12 and V (NBS) 15-12). Other source is enterprises survey Dev 1-12, which includes non-financial corporations and the annual surveys of direct investment that is separately for non-financial corporations, banks and insurance companies. Interest on **inter-company debt** includes receipts and payments on loans and other financial instruments provided/received by direct investors or received/provided by direct investment enterprise.

8.1.5.1.2 Portfolio Investment

(313) Bonds are defined like the inquiry forms as all non-equity securities other than money market instruments. The data are obtained from the banking reports: Dev (NBS) 12-12 and V (NBS) 15-12. Information on interest of government bonds and bonds of Central bank paid and received is taken from the report of Settlement Department of NBS

(314) **Money market instruments** include acceptances, treasury bills, commercial paper and certificates of deposit. These instruments are usually traded at discount. Discount being dependent upon the interest rate and the time remaining to maturity. The data are obtained from the banking reports: Dev (NBS) 12-12 and V (NBS) 15-12). Information on interest of government and central bank short-term portfolio investment paid and received is taken from the report of Settlement Department of NBS.

(315) **Financial derivatives** include options, futures, warrants and currency and interest swaps. Financial derivatives are defined as any financial instrument the price of which is based upon the value of an underlying asset. Payment purpose financial derivatives identify transaction arising from operations with financial derivatives, such as premium on options, premiums on futures and other charges relating to financial derivatives, such as charges for currency swaps, except for settlement of the underlying instrument, which will be classified to the respective payment purpose according to the nature of the operation executed. The data are obtained from the banking reports: Dev (NBS) 12-12 and V (NBS) 15-12).

8.1.5.1.3 Other investment

(316) **Trade credit** interest includes interest from export credit and interest on import credit. Interest on export credit is the interest received by Slovak companies on credit extended on SK exports to unrelated companies. Interest on import credit is the interest paid by Slovak companies on Slovak import from unrelated companies abroad. The source of data is monthly survey of enterprises (Dev 1-12).

(317) Interest on **loans** includes interest receipted and paid on short-term and long-term financial loans paid and received in relation to foreign banks, foreign financial institutions and other foreign entities. Also included is interest on government loans. The data are obtained from the banking reports: Dev (NBS) 12-12 and V (NBS) 15-12). Information on interest of government and central bank short-term and long-term loans is taken from the report of Settlement Department of NBS. Data from banking reports are crosschecked with data from enterprises survey Dev 1-12.

(318) Interest **on deposits** includes interest on deposits with foreign banks, interest on foreign currency borrowing and deposit liabilities. The data are obtained from the banking reports: Dev (NBS) 12-12 and V (NBS) 15-12). Information on interest of government and central bank short-term and long-term deposits is taken from the report of Settlement Department of NBS.

8.1.5.1.4 Reserve assets

(319) All earning on the **foreign exchange reserves** and related transactions with the IMF are recorded by the National bank of Slovakia. The data are captured in the NBS' accounting reports. The Slovak Republic receives **interest on its holdings of SDR** from IMF, and other **remuneration from the IMF** in connection with the use by other countries of us dollars held by the IMF. Income from investment to foreign currency, deposits and securities is derived on monthly basis from banking records in the NBS.

8.1.5.2 Distributed income of corporations D.42

(320) Distributed income of corporations includes dividends and withdrawals from income of quasi-corporations. **Dividends** are to be considered as a kind of property income, to which the shareholders are entitled. They are recorded at the time when they should be paid. Data include revenues from shares of direct as well as portfolio investors. The dividends or revenues from one type of securities, i.e. shares (AF5), are in question.

Investors, who own a share in the assets being higher or equal to 10% - direct investors, however also by those, who own a share being lower than 10% - portfolio investors, can obtain the revenues from shares. **The withdrawals from income of quasi-corporations** represent the amounts, which the owners of quasi-corporations have actually withdrawn from the income of quasi-corporation for their own use. Until now this part is not traced within the national accounts, nevertheless, it is part of dividends or property income.

8.1.5.3 Reinvested earnings on foreign direct investments D.43

(321) **Reinvested earnings** (RIE) on foreign direct investments are derivate from annual survey from foreign owned companies in Slovakia distributed profits and from domestic companies in Slovakia in the case of their investment abroad. These earnings are calculated as the difference between the company's total profit after tax

and the distributed profit. The annual questionnaire about direct investment in SR and direct investment abroad is collected separately for enterprises, insurance companies and commercial banks.

(322) Reinvested earnings have been compiled through the monthly survey. In the year 2003 the NBS introduced an annual FDI survey to monitor all components of direct investment. Stock data, calculated so far by cumulating flow data, are to be replaced by stock data reported by respondents through the annual survey. Annual survey involves the system of calculation of reinvested earnings (based on total profit figures) and recording of dividends at time when they are payable, as prescribed by international standards. Reinvested earnings (based on monthly survey) are compiled and still disseminated as the all-inclusive concept. Annual survey will allow NBS to calculate RIE on the "Current Operating Performance Concept" (COPC). This transition process will be finished in 2007.

8.1.5.4 Property income attributed to insurance policy holders D.44

(323) Property income attributed to insurance policy holders streams from the investment of actuarial provisions of insurance companies into financial and non-financial assets. Here belong only revenues from technical reserves, which are considered as the assets of policyholders; income from the investment of own resources of insurance companies is excluded.

(324) Quarterly data on total income earned from the investment of technical provisions of resident companies and also data on realised and unrealised holding gains/losses are available from quarterly statistical surveys carried out by the SOSR separately for non-life and life insurance and for pension funds. Holding gains/loses are excluded from the property income D44 calculation.

(325) As the direct data sources on financial flows between domestic and foreign entities, related to income from the investment of technical reserves, are not available, the D44 values allocated into the ROW are estimated from the total amount of D44 as recommended by the TF on Insurance. When making the estimates, the ratio of received premiums from abroad to the total premiums received by domestic insurance companies is used as the starting point similarly for non-life as for the life insurance and pension funds.

The estimated value is recorded as the item D44 at the supply side of the ROW sector (S2). The data value related to pension funds is very low, therefore is rounded down to zero.

8.2. Consumption of fixed capital (K.1), net national income, acquisitions less disposals of non-financial non produced assets (K.2)

8.2.1 Consumption of fixed capital (K.1)

(326) On Quarterly basis K.1 is calculated taking into account the latest Annual figures in reproduction prices and forecasting the year -to - year development makes

the future trend. As well as to account is taken the fact that the figures should not decline in time (except the strong changes in accountant rules) and the quarter - to - quarter movement should be fluent (without extremes). The future forecast is made for each sector of economy separately and total of economy is a summary figure for all sectors.

8.2.2 Acquisitions less disposals of non – financial non- produced assets K.2

8.2.2.1 Acquisitions less disposals of land and other tangible non–produced assets K.21

(327) Land is defined as the ground itself, including surface water areas (reservoirs, lakes, rivers, etc.), on which we can set up a claim to ownership rights. Other tangible non- produced assets cover subsoil assets, non – cultivated biological resources and water resources. Subsoil assets include coal, oil and natural gas reserves, metallic and non-metallic mineral reserves.

8.2.2.2 Acquisitions less disposals of intangible non- financial non-produced assets K.22

(328) This item consists of patents, leases (land, subsoil assets and residential and non-residential buildings) or other transferable contracts, purchased goodwill.

8.2.2.3 Sources and methods for K.2 by sector

(329) **S.11** Module 112 (row “land”) comprises information for K.21 valuation. The module is included in the quarterly reporting statement on production branches Prod 3-04 or, in the case of small enterprises, in the quarterly reporting statement on production branches P 13-04.

(330) **S.12** The quarterly reporting statement on non-banking financial institutions PIN 3-04 comprises information on income of financial leases.

(331) **S.13** Item K.21 is filled directly from general government revenues and expenditure. It is calculated as a difference between expenditure for lands purchase and revenues from their sales, where the revenues are increased by 5% from the value of sold lands, which means ownership transfer costs of tangible non-produced assets.

Item K.22 is estimated similarly as a difference between expenditure of purchase of valuable disposals and revenues of their sales, where the revenues are increased by 5% (ownership transfer costs).

(332) **S.14 – S.15** Update of last year’s estimations and their splitting up to quarters by structure. Information about lands is available on annual level only. We can obtain the information from the reporting statement Roc 3-99 The Survey on Entrepreneurs – physical persons not registered in the Business Register (value of leased long-term property through leasing) and from balance sheet Uc NUJ 1-01 for the organizations accounting in the double-entry accounting system.

(333) **S.2** – Information about purchase and sale of non-production non-financial assets to/from abroad is provided by capital account of Balance of payments. Information about purchase and sale of patents and licences to/from abroad by sectors is included in monthly reporting statement on foreign encashment and payment Dev (NBS)12-12

8. 3. Current transfers from/to the ROW (D.5 to D.7), net national disposable income (B.6n)

8.3.1 Current taxes on income, wealth, etc. D.5

(334) The data are obtained from the banking reports: Dev (NBS) 12-12 and V (NBS) 15-12).

8.3.2 Social contribution and benefits D6

(335) The data D61 are reciprocity data of other side in D12. As far as the D62 is concerned quarterly data are available only on total pension flows between domestic and foreign entities from banking reports Dev (NBS) 12-12 and V (NBS) 15-12. Data cover up amounts of total pension benefits related to compulsory and voluntary pension schemes without their further breakdown.

8.3.3 Other current transfers D7

8.3.3.1 Net non-life insurance premiums D71

(336) Data are estimated on the basis of development of time series and improved on the basis of annual data.

Annual amount of net non-life insurance premiums related to ROW is calculated identically as for residents, i.e. in line with ESA 95 formula:

premiums earned from the ROW(available from banking reports Dev (NBS) 12-12 and V (NBS) 15-12)

plus *premium supplements*

minus *non-life insurance services charge related to ROW* (estimated from the total amount of non-life insurance services charge using the ratio of received premiums from abroad to the total premiums received by domestic insurance companies)

8.3.3.2 Non-life insurance claims D.72

(337) Data are estimated on the basis of development of time series and improved on the basis of annual data available from banking reports Dev (NBS) 12-12 and V (NBS) 15-12.

8.3.3.4 Current international cooperation

(338) Data are calculated from State treasury data and this data is adjusted due to EUI data flow where final recipient is not a general government.

8.3.3.5 Miscellaneous current transfers D.75

(339) Data is acquired by deducting of items D2, D3, D5, D71, D72 and D74 from NBS current transfers data.

8.4 Adjustment for the change in net equity (D.8), net saving (B.8)

8.4.1 Net saving B.8n

(340) Net saving (B.8n) is calculated by following items: Net National Disposable Income (B.6n); Final Consumption Expenditures (P.3); and Adjustment for the Change in Net Equity of House-holds in Pension Funds Reserves (D.8).

$$B.8n = B.6n - P.3 + D.8$$

The item Net National Disposable Income (B.6n) is described in chapter 8.3, Final Consumption Expenditures (P.3) is described in chapter 5.2.5.

8.4.2 Adjustment for the Change in Net Equity of House-holds in Pension Funds Reserves D.8

(341) There is only net equity of households owning the reserves of private funded schemes included.

Quarterly data are estimated on the basis of development of time series and improved on the basis of annual data.

Because the value of pensions paid out as social insurance benefits by private funded pension schemes from/to ROW is not available (see chapter 8.3), the amount of annual D8 is estimated as follows:

*actual social contributions payable into private funded pension schemes
plus contribution supplements
minus the value of service charges*

8.5 Capital transfers (D.9), net lending/borrowing (B.9)

8.5.1 Net lending/borrowing B.9

(342) Net lending/borrowing (B.9) is calculated by following items: Net saving (B.8n); Capital transfers receivable/payable from/to Rest of the World (D.9rec/pay); Gross capital formation (P.5); Acquisitions less disposals of

non-financial non-produced assets (K.2); and Consumption of fixed capital (K.1).

$$\mathbf{B.9 = B.8n + D.9rec - D.9pay - P.5 - K.2 + K.1}$$

The item Net saving (B.8n) is described in chapter 8.4, Acquisitions less disposals of non-financial non-produced assets (K.2) as well as Consumption of fixed capital (K.1) is described in 8.2.

Gross capital formation (P.5) consists of Gross fixed capital formation (P.51); changes in inventories (P.52); and acquisitions less disposals of valuables (P.53). Sources and methods are described in chapter 5.4.

8.5.2 Capital transfers D.9

(343) A capital transfer (D.9) in kind consists of the transfer of ownership of an asset (other than inventories and cash), or the cancellation of a liability by a creditor, without any counterpart being received in return. A capital transfer in cash consists of the transfer of cash that the first party has raised by disposing of an asset, or assets (other than inventories), or that the second party is expected, or required, to use for the acquisition of an asset, or assets (other than inventories). The second party, the recipient, is often obliged to use the cash to acquire an asset, or assets, as a condition on which the transfer is made. Capital transfers cover capital taxes (D.91), investments grants (D.92) and other capital transfers (D.99).

D.9 within ROW is taken from quarterly Balance of Payments.

Chapter 9 Flash estimates for the main quarterly aggregates

Introduction

(344) Quarterly flash estimates of GDP and employment (by national accounts concept) are two from the Principal European Economic Indicators (PEEI). Requirements of economic and monetary policy makers and analysts tend towards early availability and reliability of GDP estimates, the estimates of the main components of output and expenditures as well as flash estimates around 45 days after the end of the reference quarter. Trying to compile reliable indicators for EU EUROSTAT supports implementation of the system for flash estimates of GDP and employment in EU member states.

(345) In 2007 the flash estimates of GDP and total employment for 4q2006 and 1., 2. and 3.q.2007 were published. GDP flash estimate was published in current as well as in constant prices. The data were published also seasonally adjusted. Employment flash estimate was published in ths. of person and data were also seasonally adjusted.

9.1. GDP flash estimates

(346) The first flash estimate of 1q2005 was compiled in May 2005 and was published on our web site www.statistics.sk on 16 May 2005, i.e. 46 days after the reference quarter. The GDP flash estimate was sent to Eurostat on 13 May 2005.

(347) GDP flash estimates are published by 43 - 45 days after the reference quarter respectively. GDP flash estimate are published in current as well as in constant prices. The data were published also seasonally adjusted. Flash estimate was compiled experimentally by both approaches (see description below), but the aggregate data related to the output and consumption approaches have not been published. The main reason was that we found differences in the values of lower aggregates in comparison with the values of estimates of these aggregates obtained later – data published by 70 day after the reference quarter. If the difference in growth rate of GDP between the flash estimate and the estimate published by 70 day after quarter was about 0,1 percentage point, the differences in lower aggregates were higher, but they were not significant as well.

Output Approach

(348) We use the same sources and methods as we use for quarterly data compilation. Only the time for flash estimates compiling is reduced, deadlines for report processing remain unchanged. There is very short time to check the reports, to correct them as well as to consult about them. The mentioned deviation is caused by these reasons.

We obtain data to compile GDP by institutional sectors as it is listed below:

(349) P.11 Market output

S.11 – Non-financial corporations

- Prod 3-04 (big enterprises) is usually available 32 – 34 days after the reference quarter
- P13-04 (small enterprises with 1 – 19 employees) is available 34 days after the reference quarter
- Holding estimate is based on annual accounts of previous years
- Wood growth on stem is estimated by the same method as holding is estimated
- Non-observed economy is estimated by the help of resolved research task called “Non-observed economy”, which was solved by Infostat (our subsidised organisation)

S.12 - Financial corporations

Output of data processing of Pen 3a-04, Pin-04 and Poj 3-04 reports is usually available 32 days after the reference period.

S.13 – General government

Some sources are missing at time so the data are estimated mostly.

S.14 - Households

- Physical persons, which are not registered in organisation register and self employed farmers:
- The estimate is based on “Farm Structure Census”, which was processed in 2002. Agricultural statistics is also used for our estimates.
- Physical persons registered in organisations register (self employed persons and free occupation):
- The estimate is based on annual treatment of tax declarations
- Non-observed economy: We use the same method as it is described in S11.

(350) P.12 Output for own final use

S.11 Non financial corporations – Prod 3-04 activation

S.13 General Government – the same situation as it is described in P.11

S.14 Households

- Agricultural output for households consumption: The estimates are based on “Farm Structure Census”, which was processed in 2002. Agricultural statistics is also used for our estimates.
- Construction self-help: The estimates are based on construction statistics and dwelling statistics
- Imputed rent: The estimates are based on residential buildings statistics

(351) P.13 Other non-marked output

If sources are not available in time general government statistics as well as non profit corporations statistics is used.

(352) D21 – D31 taxes on products less subsidies on products

We obtain data from state budget results, which are available about 18 –20 days after the reference period. Output price indices as well as consumer price indices, which are available about 30 –31 days after the reference period, are the background for price calculation.

(353) P.2 The intermediate consumption is calculated from the same sources and by the same methods as the output.

(354) The difference between the output and the intermediate consumption equals to value added.

(355) Adding the value of taxes on products (D.21) minus subsidies (D.3) to the value added we obtain the value of Gross Domestic Product (GDP).

Expenditure Approach

Flash estimate of final consumption of households

(356) Final consumption of household is built up for flash estimates according to 12 groups of classification Coicop.

(357) We use statistical and administrative sources of data. Basic element of calculation is retail return expressed by classification NACE and supplemented data sources from industrial's statistics.

(358) For convert of data from classification NACE to Coicop we use methods adopted from project Phare, which was realized with Eurostat and tested for data from 2000 and 2001.

(359) Data sources

In date 35 days after finished month retail return:

- Month's results from industrial's statistics of trade (3 a 4 digit NACE) for large and small enterprises, self employers (total 5900 responsive units)

| Responsive units | Large enterprises employed 20 and more employees, to 19 employees and with receipts more as 100 Mill SKK | Small enterprises to 19 employees | Self employers |
|------------------|--|-----------------------------------|----------------------------------|
| Method | exhaustive | selective | selective |
| NACE | 50, 52, 55 | 50 and 52 is 8%, 55 is 5% | 50 is 5% and 52, 55 is 2% and 5% |

For data imputation are missing values substituting from current data of similar units – donors.

In date 35 days after finished month there are other data sources:

- mount's survey of industry – production of goods and export for large enterprises (20 and more employees and more according to 4 digit NACE and to classification MIG)
- import and export of goods and services – according to good's structure in FOB (price at state's frontier) – data are available 1 month later.
- Month's purchase of cars from police register, according to make and car's type.
- mount's survey of transport – receipt of personal transport.
- mount's survey of telecommunications
- mount's survey selected market services – recreational, cultural and sporting activities, social and personal services.
- Prices statistics – is used for conversion to constant prices and for estimate of expenses of household and educate.

Final consumption of general government

(360) The flash estimate of general government final consumption is estimated because the administrative data from State Treasury as well as from DataCentrum are not available. The estimate is based on mathematic-empirical calculations on the level of deaggregation on indicator and institutional unit

(361) We make estimates of NPISHs based on mathematic-statistical approaches, i.e. we use FORECAST of annual data and then we split it into quarters by ECOTRIM software.

(362) Gross fixed capital formation

S11- non-financial enterprises

- Prod 3-04 - large enterprises (over 20 employees) by Industrial classification of economic activities (NACE) in 2-digit level - we have aggregated data at disposal on the 32 – 34 th day
- P 13-04 - small non-financial enterprises (up to 19 employees) - time lag is 34 days

S12 - financial enterprises

- outputs from the statistical surveys Pen P 3-04, Pin P3-04 and Poi P3-04 we have at disposal on the 32th day

S13 - the government sector

- state budget - capital expenditures of the general government, budgets of the regional governments converted to the quarters
- annual survey NSRO 1-01 of the budgetary organisations as a base of the converting into the quarters

S14 - households

- self-employed persons by the Industrial classification of economic activities (NACE) in 2-digit level
- summary results from the survey Inv 3-04 about the progress of the construction of buildings we have at disposal on the 36th day

S15- Non-profit institutions serving households

- we estimate from the annual survey of non - profit organisations NSNO 1-01 for the single quarters.

Export and Import good and services

(363) Flash estimate of quarterly results for import and export of goods and services is compiled on the base of monthly published data for two months of reference quarter and the data for the third month are estimated on the base of comparable time series data.

9.2. Flash employment estimate

(364) The SO SR has obligation to compile flash estimates of total employment until 45 days after reference quarter. By compilation of flash estimates, similar procedure as by quarterly labour accounts is used. It is used on aggregate level.

This method is based on comparing and harmonising data provided by statistical surveys with demographic data represented by LFS. In the process of reconciliation of labour data from different sources the following steps were distinguished:

- Collection and summarisation of employment data from supply and demand side. Demand side is represented by data from business surveys, from administrative data. Supply side is represented by data from LFS.
- Adjustments of employment data sources on common definitions and concepts based on ESA95 and ILO
- Comparison of employment data from demand and supply side
- Reconciliation of employment data

(365) Flash estimate of total employment is published on www.statistics.sk always 42 - 45 days after reference quarter in accord with harmonized deadlines of EU area.

Adjustment of LFS data

(366) Supply side is represented by the data obtained from LFS, i.e. number of person employed divided into employees and self-employed. Data from LFS are considered to be more complete as regards covering of production activities, and definition of employment, and it contains also part of non-observed economy.

(367) With respect to the way the survey is running, LFS doesn't cover all types of households. Workers living in collective households are not covered (hostels, hall of residence, etc.) LFS data thus correspond with definition of national concept, i.e. they present number of persons employed living in households in SR without regard to the

place of its work (abroad or SR). For comparison purpose they need to be adjusted to the same concept as the data from demand side. Adjustment of data from LFS into domestic concept (under ESA 95) consists of two steps:

Adjustment for persons living in collective households

(368) Estimate of students living in hostels occasionally working as well as estimate of members of different monasteries is added.

Adjustment to domestic concept

(369) Estimate of residents working abroad and employees of foreign embassies is deducted. On other hand we add number of non-residents working in SR and employees of our embassies and other institutions abroad.

(370) Besides mentioned adjustments, the number of women on maternity leave is added as well, because they are not included in total number of persons employed in enterprise surveys. After final reconciliation they are additionally added to the total number of persons employed.

(371) All the referable items used for concept adjustment are estimated on the basis of trends and relations obtained for the quarters of the previous year

| Data of employment | 1.Q2006 | 2.Q2006 | 3.Q2006 | 4.Q2006 | 2006 |
|--|----------------|----------------|----------------|----------------|-------------|
| Employed persons with main (only) job from LFS – supply side – national concept | 2 257 483 | 2 294 552 | 2 320 750 | 2 332 689 | 2 301 369 |
| Employed persons – residents working abroad (-) | 182 583 | 202 361 | 203 521 | 206 131 | 198 649 |
| Employed persons – non-residents working in SR (+) | 8 004 | 8 190 | 8 950 | 9 038 | 8 545 |
| Women on maternity leave (-) | 9 545 | 8 576 | 8 006 | 10 329 | 9 114 |
| Adjustment of persons living in collective households (+) | 13 280 | 13 643 | 13 946 | 14 088 | 13 739 |
| Employed persons of our embassies and other institutions working abroad (+) | 5 656 | 8 032 | 8 675 | 5 733 | 7 024 |
| Employed persons of foreign embassies (-) | 450 | 442 | 420 | 387 | 432 |
| Employed persons in SR with main (only) job | 2 091 845 | 2 113 038 | 2 140 344 | 2 144 701 | 2 122 482 |
| Employed persons in SR with main (only) job including women on maternity leave – domestic concept | 2 101 390 | 2 121 614 | 2 148 350 | 2 155 030 | 2 131 596 |

| Data of employees | 1.Q2006 | 2.Q2006 | 3.Q2006 | 4.Q2006 | 2006 |
|---|----------------|----------------|----------------|----------------|-------------|
| Employees with main (only) job from LFS – supply side – national concept | 1 961 214 | 1 995 912 | 2 024 206 | 2 029 210 | 2 002 636 |
| Employees– residents working abroad (-) (-) | 161 987 | 181 202 | 180 319 | 181 319 | 176 285 |
| Employees– non-residents working in SR (+) | 8 004 | 8 190 | 8 950 | 9 038 | 8 545 |
| Women on maternity leave (-) | 8 931 | 7 831 | 7 436 | 9 229 | 8 357 |
| Adjustment of persons living in collective households (+) | 13 280 | 13 643 | 13 946 | 14 088 | 13 739 |
| Employees of our embassies and other institutions working abroad (+) | 5 656 | 8 032 | 8 675 | 5 733 | 7 024 |
| Employees of foreign embassies (-) | 450 | 442 | 450 | 387 | 432 |
| Employees in SR with main (only) job | 1 816 786 | 1 836 302 | 1 867 572 | 1 866 820 | 1 846 870 |
| Employees in SR with main (only) job including women on maternity leave – domestic concept | 1 825 717 | 1 844 133 | 1 875 008 | 1 876 049 | 1 855 227 |

| Data of selfemployers | 1.Q2006 | 2.Q2006 | 3.Q2006 | 4.Q2006 | 2006 |
|---|----------------|----------------|----------------|----------------|-------------|
| Selfemployers with main (only) job from LFS – supply side – national concept | 296 269 | 298 640 | 296 544 | 303 479 | 298 773 |
| Women on maternity leave (-) | 614 | 745 | 570 | 1100 | 757 |
| Selfemployers working abroad (-) | 20 596 | 21 159 | 23 202 | 24 498 | 22 364 |
| Selfemployers in SR with main (only) job | 275 059 | 276 736 | 272 772 | 277 881 | 275 612 |
| Selfemployers including women on maternity leave | 275 673 | 277 481 | 273 342 | 278 981 | 276 369 |

Adjustment of enterprise survey data

(372) Demand side is represented by enterprise survey data, which match definition of domestic concept, so other concept adjustments are not needed. Since 2007, data are supplemented with number of persons working in security and army forces, which has not been included in regular survey.

| Data of employees from statistic enterprise surveys and other institutions | 1.Q2006 | 2.Q2006 | 3.Q2006 | 4.Q2006 | 2006 |
|---|----------------|----------------|----------------|----------------|-------------|
| <i>Enterprises with more than 20 employees and other institutions</i> | 1 251 583 | 1 263 695 | 1 257 359 | 1 262 580 | 1 258 804 |
| Nonfinancial enterprises | 833 448 | 841 840 | 845 238 | 840 277 | 840 201 |
| Financial enterprises | 31 785 | 31 950 | 31 908 | 31 834 | 31 869 |
| Organizations of general government | 361 911 | 364 452 | 354 527 | 363 915 | 361 201 |
| Non-profit orientated institutions serving to households | 24 439 | 25 453 | 25 686 | 26 554 | 25 533 |
| Enterprises with less than 20 employees | 227 713 | 224 962 | 232 204 | 239 388 | 231 067 |
| Employees of selfemployers | 180 602 | 182 331 | 192 549 | 195 118 | 187 650 |
| Total | 1 659 898 | 1 670 988 | 1 682 112 | 1 697 086 | 1 677 521 |
| Selfemployers with main job | | | | | |
| Selfemployers non-registered in busibess register | 275 059 | 276 736 | 272 772 | 277 881 | 275 612 |
| Main jobs - total | 1 934 957 | 1 947 724 | 1 954 884 | 1 974 967 | 1 953 133 |
| | | | | | |

(373) **Average registration number of employees** is the main indicator in enterprise surveys. It thus comprises persons with main and also with other jobs. In total for the whole economy it presents number of all jobs of employed persons (total number of jobs in economy). For the reason of its comparison with LFS, which contains number of persons in main jobs, it divides number of persons into main jobs and other jobs. We can thus stated following:

Number of persons employed = number of main jobs

Number of main jobs = total number of jobs – number of other jobs

From the demand side the data for average registration number of employees is available.

(374) Main jobs are calculated according to coefficient of main jobs from annual accounts.

(375) Number of self-employed is taken from LFS. The basis for number of employees of self-employed persons estimation represents number of self-employed (as employers) and average number of employees pertains to one self-employed person.

Consolidation

(376) By consolidation of data from LFS and enterprise surveys number of persons employed between supply and demand sides on aggregated level is compared. Obtained difference in number of main jobs is added to data from demand side. Non-identified difference is considered to be non-registered employment on demand side, and it represents also so called black employment.

(377) Number of self-employed from administrative sources is compared to number obtained from LFS. Difference between self-employed from both sources is considered for other jobs

Model instruments for flash estimates of GDP and Employment

(378) Construction and use of different model instruments is the area in which Infostat, has been engaged in the long term. From the methodological point of view it presents econometric models, that enable the compilation of flash estimates and short-term forecasts of the development of GDP mainly by using information arising from quantitative time-series as well as qualitative time-series, i.e. the results from business and consumer surveys.

(379) Initial version of the model system for flash estimates is represented by two single econometric equations presenting development of GDP and Final consumption of households, as the biggest part in GDP structure. Their development is presented in models depending on reference indicators, compiled from results of business surveys, i.e. from qualitative information. Economic sentiment indicator is the reference indicator of GDP. Reference indicator for Final consumption of households is consumer confidence indicator. Initial version of the model system was extended and adjusted.

(380) Model instruments for other main components of GDP usage were estimated with the assistance of data basis created from results of business surveys as well. As the result of it, a specific model system is created, enabling compilation of flash estimates of GDP development either by using of direct or indirect approach. In the first case it is solely made in connection with development tendencies of economic sentiment indicator, in the second case by using flash estimates of individual components of GDP usage, derived from development tendencies of aggregated indicators, especially confidence indicators in industry, construction and retail trade as well as consumer confidence indicator.

(381) From the methodological point of view, the procedure of compiling the model system is consistent with construction of model based on quantitative time-series used for creation of short-term forecasts (revised and extended version of the model comprises 69 equations, from which 20 are regression ones and 49 identities. There are together 139 variables, from which 69 are endogenous ones and 70 are exogenous. 44 of exogenous variables are real the rest is auxiliary.)

(382) Construction and specification of regression equation uses the principles of models with error correction component (*Error Correction Models - ECM*). Thus, each of the regression equations expresses separately long-term as well as short-term influence of individual explanatory variables on relevant endogenous (dependent) variable. Quarterly time series of economic sentiment indicator, consumer confidence indicator as well as other used qualitative indicators were constructed by transformation of original series i.e. monthly time series.

(383) To produce flash estimates of GDP there was constructed another type of aggregated indicator as well, based on quantitative information. It represents the weighted mean of base indexes of four selected indicators, that significantly influence the GDP development from demand (retail sales turnover and export of goods) and supply (industrial production and production of construction) point of view. Arising from the regression analysis of relation between GDP and mentioned aggregated indicator the model instrument for flash estimates was created. Quarterly time series of base indexes of mentioned four indicators were created by transformation of original-monthly time series.

(384) Along with model relations for GDP flash estimates also the model for flash estimates of total employment for the whole economy was created (according to ESA 95 methodology). The aggregate indicator comprises number of employees and number of self-employed according to branches. Because of the fact that since 1998 these two components have had opposing development tendencies, the development of each is explained by separate model. Flash estimate of employees is derived from the lagged indicators of expected employment in industry, construction and retail sale. Flash estimate of self-employed is related to consumer confidence indicator. Thus, flash estimate of total employment is the aggregation of both components.

(385) As mentioned before, flash estimates of GDP are compiled by direct as well as indirect method in quarterly intervals. Consequently, the flash estimate is constructed as interval estimate and the middle of the interval presents point flash estimation.

(386) Point flash estimate undervalued or overvalued the real increase of GDP by 0.5 percentage point.

(387) Flash estimate for Employment is compiled every quarter as the point estimate. In this case the estimate is based on indicators of employment expected in industry, construction and retail sales with different time-lags (from 1 to 5 quarters).

(388) Comparing to real development it is possible to conclude that (so far) flash estimates of Employment are more precise than flash estimate of GDP.

Chapter 10

Main data sources used

Quarterly questionnaire of productive branches PROD3-04

| | |
|--|--|
| Name of the survey: | Quarterly questionnaire of productive branches; The questionnaires have two independent parts - insertions: financial and establishment (Zav). |
| Statistical form: | PROD3-04 |
| Link to the surveys carried out at European level: | Council Regulation (EC) No. 2223/96 on the European System of National and Regional accounts in the Community. |
| Periodicity: | Quarterly statistical survey |
| Availability of results: | 45 days after the end of the reference time period |
| Main methodological characteristics of the survey: | It is an sample statistical survey carried out by the means of questionnaire PROD3-04 quarterly questionnaire on productive branches for reporting units with the number of employees 20 and more. The survey is part of the Programme of State Statistical Surveys. The reporting duty results from § 18 of the Law No. 540/2001 Coll. on State Statistics. The survey is compulsory for all business entities, which carry out their activities based on the record in the Business Register, i.e. national legal entities, foreign persons and national physical persons performing activities in order to make profit in all economic activities (agriculture, forestry, manufacturing, construction, trade, hotels and restaurants, transport, post and telecommunication, selected market services, research and development) and profit-oriented subsidised organisations, the costs of which are covered by 50% and more by sales. |
| Main surveyed indicators: | <ul style="list-style-type: none"> - output, - intermediate consumption, - value added, - indicators of employment, - fixed assets, |
| Additional adjustments of surveyed data: | Imputation of data is made for active responsive units from sample dataset, which did not submit complete questionnaire during the collecting process. The global imputation method "hot deck" is realised. Sequentially after this imputation, the calculating of whole dataset of active units is made. |

Quarterly questionnaire of productive branches P13-04

| | |
|--|--|
| Name of survey: | Quarterly questionnaire of productive branches intended for small enterprises; |
| Statistical form: | P13-04 |
| Link to the surveys carried out at European level: | Council Regulation (EC) No. 2223/96 on European System of National and Regional Accounts in the Community. |
| Periodicity: | Quarterly statistical survey |
| Availability of results: | 45 days after the end of the reference time period |
| Main methodological characteristics of the survey: | It is a sample survey carried out by the means of P13-04 – quarterly questionnaire of productive branches intended for small enterprises with the number of employees from 0 up to 19. The survey is part of the Programme of State Statistical Surveys. The reporting duty results from § 18 of the Law No. 540/2001 Coll. on State Statistics. The survey is compulsory for all business entities, which carry out their activities based on the record in the Business Register, i.e. national legal entities, foreign persons and national physical persons performing activities in order to make profit in all economic activities (agriculture, forestry, manufacturing, construction, trade, hotels and restaurants, transport, post and telecommunication, selected market services, research and development) and profit-oriented subsidised organisations, the costs of which are covered by 50% and more by sales. |
| Main surveyed indicators: | <ul style="list-style-type: none"> - output, - intermediate consumption, - value added, - indicators of employment, - fixed assets, |
| Additional adjustments of surveyed data: | Imputation of data is made for active responsive units from sample dataset, which did not submit complete questionnaire during the collecting process. The global imputation method “hot deck” is realised. Sequentially after this imputation, the calculating of whole dataset of active units is made. |

Quarterly enterprise questionnaire on banking Pen P3-04

| | |
|--|---|
| Name of the survey: | Quarterly enterprise questionnaire on banking |
| Statistical form: | Pen P3-04 |
| Link to the surveys performed at the European level: | Council Regulation (EC) No. 2223/96 on the European System of National and Regional Accounts in the Community. |
| Periodicity: | Quarterly statistical survey |
| Date of availability of results: | 45 days after the end of reference time period |
| Main methodological characteristics of the survey: | It is an exhaustive statistical survey carried out by the means of questionnaire Pen P3-04. The survey is part of the Programme of State Statistical Surveys. The reporting duty results from § 18 of the Law No. 540/2001 Coll. on State Statistics. The survey is compulsory for all business entities, regardless of the number of employees registered in the Business Register having the main activity falling under OKEC 65.1. |
| Additional adjustments of surveyed data: | For the mentioned exhaustive survey no imputation and no additional adjustments are made. |

Quarterly enterprise questionnaire on insurance Poi P3-04

| | |
|--|--|
| Name of the survey: | Quarterly enterprise questionnaire on insurance |
| Statistical form: | Poi P3-04 |
| Link to the surveys performed at the European level: | Council Regulation (EC) No. 2223/96 on the European System of National and Regional Accounts in the Community. |
| Periodicity: | Quarterly statistical survey |
| Date of availability of results: | 45 days after the end of reference time period |
| Main methodological characteristics of the survey: | It is an exhaustive statistical survey carried out by the means of questionnaire Poi P3-04. The survey is part of the Programme of State Statistical Surveys. The reporting duty results from § 18 of the Law No. 540/2001 Coll. on State Statistics. The survey is compulsory for all business entities, regardless of the number of employees registered in the Business Register having the main activity falling under OKEC 66.0 and 67.2. |
| Main surveyed indicators: | <ul style="list-style-type: none"> - output, - intermediate consumption, - value added, - indicators of employment, - fixed assets, |
| Additional adjustments of surveyed data: | For the mentioned exhaustive survey no imputation and no additional adjustments are made. |

Quarterly enterprise questionnaire on non-banking financial institutions - PinP3-04

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| Name of the survey: | Quarterly enterprise questionnaire on non-banking financial institutions |
| Statistical form: | Pin P3-04 |
| Link to the surveys performed at the European level: | Council Regulation (EC) No. 2223/96 on the European System of National and Regional Accounts in the Community. |
| Periodicity: | Quarterly statistical survey |
| Date of availability of results: | 45 days after the end of reference time period |
| Main methodological characteristics of the survey: | It is an exhaustive statistical survey carried out by the means of questionnaire Poi P3-04. The survey is part of the Programme of State Statistical Surveys. The reporting duty results from § 18 of the Law No. 540/2001 Coll. on State Statistics. The survey is compulsory for all business entities, regardless of the number of employees registered in the Business Register having the main activity falling under OKEC 65.2 and 67.1. |
| Main surveyed indicators: | <ul style="list-style-type: none"> - output, - intermediate consumption, - value added, - indicators of employment, - fixed assets |
| Additional adjustments of surveyed data: | For the mentioned exhaustive survey no imputation and no additional adjustments are made. |

Quarterly questionnaire on labour Práca 2-04

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| Name of the survey: | Quarterly questionnaire on labour Práca 2-04. |
| Link to the surveys carried out at European level: | Statistics survey is realised in accordance with Convention of International organization of labour number 160/1985 about statistics of labour resolved by International conference of labour. |
| Periodicity: | Quarterly statistics survey |
| Availability of results: | 50 days after the end of the reference time period |
| Main methodological characteristics of the survey: | Purpose of statistic survey is to obtain information about the number of employees, worked hours, wages and salaries. Results of surveys are used for valuation of trend in employment, compensations of employees in Slovak republic. |
| Main surveyed indicators: | <ul style="list-style-type: none"> - Average registered number of employees (re-counted, in natural persons) - Number of hours worked by employees - Number of persons working on the basis of contract of work performed out of employment - Number of hours worked by persons working on the basis of contract of work performed out |

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| | of employment - Wages, salaries and refund of wages - Compensations of emergency at work - Others financial fulfilments of costs – without severance pay - Severance pay - Social allowance of employers |
| Additional adjustments of surveyed data: | Indicators go into calculation of Total employment, worked hours and compensations of employees. |

Labour force sample survey - for household VZPS 1-99

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| Name of the survey: | Labour force sample survey - for household |
| Statistical form: | VZPS 1-99 |
| Link to the surveys performed at the European level: | Statistics survey is realised in accordance with Convention of International organization of labour number 160/1985 about statistics of labour resolved by International conference of labour. |
| Periodicity: | Quarterly statistical survey |
| Date of availability of results: | 50 days after the end of the reference time period |
| Main methodological characteristics of the survey: | Purpose of statistic survey is to obtain demographic and information and for employment and unemployment structure evaluations in regions of Slovak republic. Results of survey in combinations with results of sample survey labour force for members of households are used for social and employment policy composing and regulation. |
| Main surveyed indicators: | <ul style="list-style-type: none"> • Main (only) job of employee • Other job of employee • Worked hours (actual and customarily) of employee • Main (only) job of employer • Other job of employer • Worked hours (actual and customarily) of employer |
| Additional adjustments of surveyed data: | Indicators go into calculation of Total employment, worked hours and compensations of employees. |

Annual questionnaire of productive branches Roc 1- 01

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| Name of the survey: | Annual questionnaire of productive branches Roc 1 – 01 is an exhaustive survey. The questionnaires have two independent parts - insertions: financial (FIN), establishment (ZAV), cross-sectional and industrial. |
| Link to the surveys carried out at European level: | Council Regulation (EC) No. 2223/96 on the European System of National and Regional accounts in the Community. |
| Periodicity: | Annual statistical survey |
| Availability of results: | 6 months after the end of the reference time period |
| Main methodological characteristics of the survey: | It is an exhaustive statistical survey carried out by the means of questionnaire Roc 1 – 01 – Annual questionnaire on productive branches (two levels, A and B) for reporting units with the number of employees 20 and more. The survey is part of the Programme of State Statistical Surveys. The reporting duty results from § 18 of the Law No. 540/2001 Coll. on State Statistics. The survey is compulsory for all business entities, which carry out their activities based on the record in the Business Register, i.e. national legal entities, foreign persons and national physical persons performing activities in order to make profit in all economic activities (agriculture, forestry, manufacturing, construction, trade, hotels and restaurants, transport, post and telecommunication, selected market services, research and development) and profit-oriented subsidised organisations, the costs of which are covered by 50% and more by sales. |
| Main surveyed indicators: | <ul style="list-style-type: none"> - Average registered number of employees (re-counted, in natural persons) - Number of hours worked by employees - Number of persons working on the basis of contract of work performed out of employment - Number of hours worked by persons working on the basis of contract of work performed out of employment - Wages, salaries and refund of wages - Compensations of emergency at work - Others financial fulfilments of costs – without severance pay - Severance pay - Social allowance of employers |
| Additional adjustments of surveyed data: | Indicators needed for calculating of total employment, worked hours and compensations of employees |

Annual questionnaire of productive branches Roc 2-01

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| Name of survey: | Annual questionnaire of productive branches intended for small enterprises Roc 2 – 01; |
| Link to the surveys carried out at European level: | Council Regulation (EC) No. 2223/96 on European System of National and Regional Accounts in the Community. |
| Periodicity: | Annual statistical survey |
| Availability of results: | 9 months after the end of reference time period |
| Main methodological characteristics of the survey: | It is a sample survey carried out by the means of Roc 2 – 01 – annual questionnaire of productive branches intended for small enterprises with the number of employees from 0 up to 19. The survey is part of the Programme of State Statistical Surveys. The reporting duty results from § 18 of the Law No. 540/2001 Coll. on State Statistics. The survey is compulsory for all business entities, which carry out their activities based on the record in the Business Register, i.e. national legal entities, foreign persons and national physical persons performing activities in order to make profit in all economic activities (agriculture, forestry, manufacturing, construction, trade, hotels and restaurants, transport, post and telecommunication, selected market services, research and development) and profit-oriented subsidised organisations, the costs of which are covered by 50% and more by sales. |
| Main surveyed indicators: | <ul style="list-style-type: none"> - Average registered number of employees - Number of hours worked by employees - Wages, salaries and refund of wages - Social allowance of employers |
| Additional adjustments of surveyed data: | Indicators needed for calculating of total employment, worked hours and compensations of employees |

Annual questionnaire Survey on entrepreneurs – physical persons not registered in the Business Register Roc 3-99

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| Name of survey: | Roc 3 – 99 – Survey on entrepreneurs – physical persons not registered in the Business Register. |
| Link to the surveys carried out at European level: | Council Regulation (EC) No. 2223/96 on the European System of National and Regional Accounts in Community. |
| Periodicity: | Annual statistical survey |
| Availability of results: | 12 months after the end of reference time period |
| Main methodological characteristics of the survey: | It is a sample survey carried out by the means of Roc 3 – 99 – Survey on entrepreneurs – physical persons not registered in the Business Register. The survey is part of the Programme of State Statistical Surveys. The reporting duty results from § 18 of the Law No. 540/2001 Coll. on State Statistics. The survey is compulsory for all physical persons, which carry out their activities based on the permit for sole traders (it is the right to perform business activities under the conditions stated in the Law No. 455/1991 Coll. on sole traders, incl. amendments); furthermore for all persons making business under a different permit than the permit on sole trading according to special regulation – this category covers free lancers, physical persons carrying out agricultural production who are not registered in accordance to a specific rule; a self-employed farmer recorded in the register of municipality in compliance with the Law No. 219/1991 Coll. is in question. |
| Main surveyed indicators: | <ul style="list-style-type: none"> - Average registered number of employees - Number of hours worked by employees - Wages, salaries and refund of wages - Number of non-paid persons |
| Additional adjustments of surveyed data: | Indicators needed for calculating of total employment, worked hours and compensations of employees |

Annual questionnaire of non-profit organisations NSNO 1 – 01

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| Name of the survey: | Annual questionnaire of non-profit organisations NSNO 1 – 01 |
| Link to the surveys carried out at European level: | Council Regulation (EC) No. 2223/96 on the European System of National and Regional Accounts in Community |
| Periodicity: | Annual statistical survey |
| Date of availability of results: | Until 30 April after the reference time period |
| Main characteristics of the survey methodology: | <p>The purpose of the statistical survey is to obtain information for the system of national accounts on the economic and financial indicators of non-profit institutions, which are ranked among other non-market producers, whose main part of output is provided to their members free of charge or for economic insignificant prices. The results of the survey were used for analytical purposes, for the publication system of the SOSR and for the needs of international organisations.</p> <p>It is a sample survey, using the NSNO 1-01 and NSNO 2-01 questionnaires. The survey is part of the Programme of State Statistical Surveys adopted for 2003-2005. The reporting duty is based on the § 18 of the Law No. 540/2001 Coll., on state statistics. The survey is obligatory for organisations included into the sample.</p> |
| Main surveyed indicators: | <ul style="list-style-type: none"> - Average registered number of employees - Number of persons working on the basis of contract of work performed out of employment - Wages costs |
| Additional adjustments of surveyed data: | Indicators needed for calculating of total employment, worked hours and compensations of employees |

Annual questionnaire of total labour costs UNP 1-01

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| Name of the survey: | Annual questionnaire of total labour costs UNP 1-01 |
| Periodicity: | Annual statistical survey |
| Main characteristics of the survey methodology: | Purpose of statistic survey is to obtain information of wages level and structure and other costs spent by employer on labour force. Results of survey are used for trend evaluation of wages and others labour costs. |
| Main surveyed indicators: | <ul style="list-style-type: none">- Average annual wages and salaries- Average annual refunds to employees |
| Additional adjustments of surveyed data: | Indicators needed for calculating of total employment, worked hours and compensations of employees |

Administrative data sources:

Tax office – provides data of self-employed persons with accounting books like jobs, annual wages and salaries costs of self-employed 's employees, payments to social funds. Data are available with annual periodicity.

Social insurance – provides data of social allowances of employer

Statistic register – provides data of main jobs of self-employed persons