



NATIONAL INSTITUTE OF STATISTICS

16, Libertății avenue, sector 5, Bucharest, tel / fax: 318.18.69, e-mail birouipresa@insse.ro

Press office

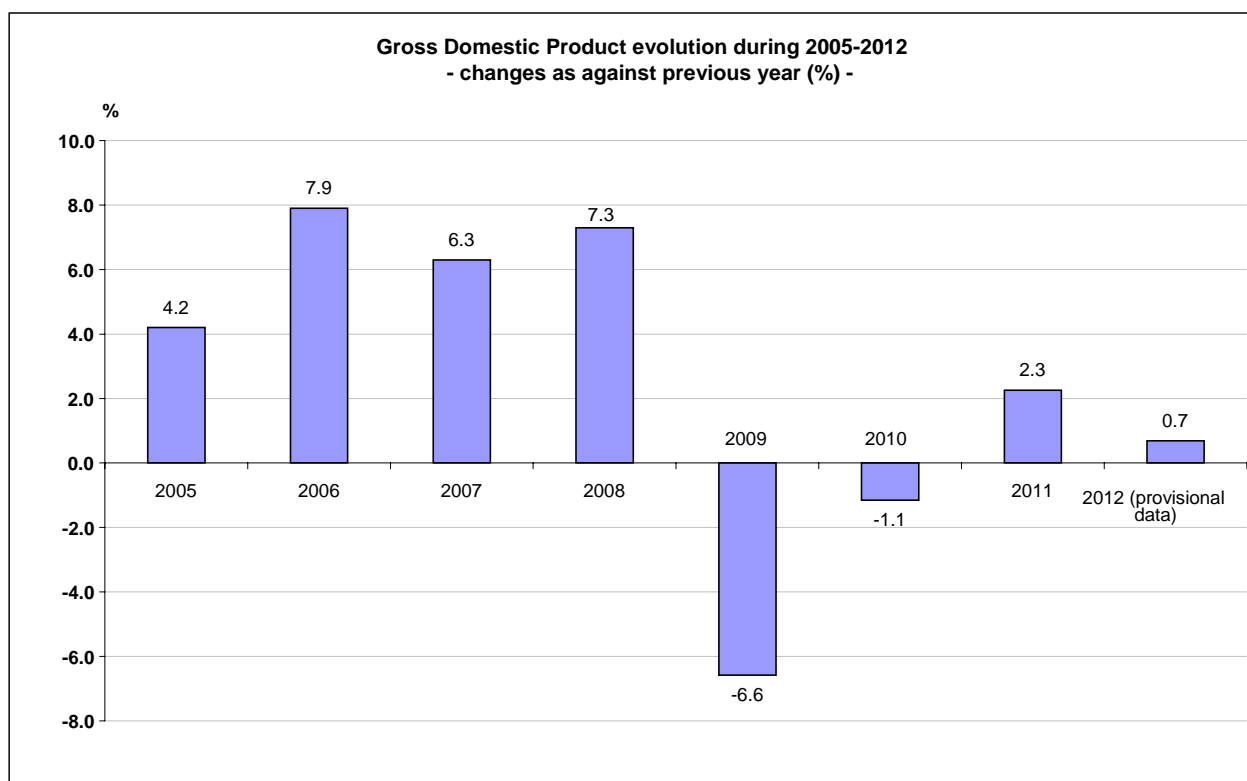
PRESS RELEASE

No. 257 of October 31st, 2013

Gross Domestic Product in 2011 - final data -

The Gross Domestic Product in 2011 – final data – was, in real terms, by 2.3% higher as compared to 2010.

The Gross Domestic Product evolution during 2005-2012 is shown in the graph below:



The Gross Domestic Product estimated for 2011 – final data was 557348.2 million lei at current prices, increasing – in real terms – by 2.3% as compared to 2010.

The Gross Domestic Product in 2011

	Semi-final data	Final data	Differences (+/-)
Million lei current prices	556708.4	557348.2	639.8
GDP dynamics - % as against 2010	102.2	102.3	0.1
GDP deflator - % as against 2010	104.1	104.0	-0.1

As compared to the semi-final version, in the final version the Gross Domestic Product estimated for 2011 increased by 0.1%.

As for the Gross Domestic Product formation, the changes that occurred in the final version as compared to the semi-final one, both in terms of dynamics and of deflators by activity branch, are presented in the table below:

Evolution of resources categories, in year 2011

	Growth rate - % as against 2010 -		Deflator - % as against 2010 -	
	Semi-final data	Final data	Semi-final data	Final data
Agriculture, forestry and fishing	112,4	114,0	108,6	106,7
Industry	100,1	100,4	108,2	107,7
Construction	93,6	81,3	106,4	115,7
Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accomodation and food service activities	97,9	101,8	91,9	88,8
Information and communication	101,0	104,4	99,6	102,1
Financial and insurance activities	116,5	112,9	104,1	106,2
Real estate activities	103,0	101,4	99,6	100,0
Professional, scientific and technical activities; administrative and support service activities	118,7	126,5	104,3	99,3
Public administration and defence; compulsory social security; education; human health and social work activities	100,0	100,8	97,4	97,9
Arts, entertainment, repair of household goods and other services	103,1	112,1	104,2	106,2
Gross value added – total	101,7	101,9	102,8	102,7
Net taxes on products	106,1	106,1	114,1	114,5
Gross Domestic Product	102,2	102,3	104,1	104,0

Contribution of resources categories to formation and growth of Gross domestic product, in year 2011

	Contribution to formation of GDP - %		Contribution to growth of GDP - %	
	Semi-final data	Final data	Semi-final data	Final data
Agriculture, forestry and fishing	6,5	6,5	0,7	0,8
Industry	28,9	28,8	0,0	0,1
Construction	8,6	8,1	-0,6	-1,7
Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accomodation and food service activities	11,3	11,3	-0,3	0,2
Information and communication	3,2	3,4	0,0	0,1
Financial and insurance activities	2,5	2,5	0,4	0,3
Real estate activities	8,5	8,4	0,3	0,1
Professional, scientific and technical activities; administrative and support service activies	5,5	5,6	0,9	1,3
Public administration and defence; compulsory social security; education; human health and social work activities	9,9	10,0	0,0	0,1
Arts, entertainment, repair of household goods and other services	2,6	2,9	0,1	0,3
Gross value added – total	87,5	87,5	1,5	1,6
Net taxes on products	12,5	12,5	0,7	0,7
Gross Domestic Product	100,0	100,0	2,2	2,3

In 2011, more significant changes in the contribution to GDP growth, between the two estimates, were recorded for:

- Construction, from -0.6% to -1.7%, as consequence of changing the activity volume by -12.3 percentage points (from 93.6% to 81.3%);
- Wholesale and retail, repairs of motor-vehicles and motorcycles; transport and storage; hotels and restaurants, from -0.3% to +0.2%, as consequence of changing the activity volume by +3.9 percentage points (from 97.9% to 101.8%);
- Real estate activities, from +0.3% to +0.1%, as consequence of changing the activity volume by -1.6 percentage points (from 103.0% to 101.4%);
- Professional, scientific and technical activities; administrative services and support services activities, from +0.9% to +1.3%, as consequence of changing the activity volume by +7.8 percentage points (from 118.7% to 126.5%);
- Arts, entertainment; repairs of households goods and other services, from +0.1% to +0.3%, as consequence of changing the activity volume by +9.0 percentage points (from 103.1% to 112.1%).

From the uses side of Gross Domestic Product, the changes that occurred in the final version as compared to the semi-final one, both in real terms and of deflators by category of uses, are shown in the table below:

Evolution of uses categories, in year 2011

	Growth rate - % as against 2010 -		Deflator - % as against 2010 -	
	Semi-final data	Final data	Semi-final data	Final data
Actual final consumption, total	100,9	101,0	103,0	103,1
Actual individual final consumption of households	101,1	101,4	103,8	103,7
Final consumption expenditure of households	101,2	101,6	104,2	104,0
Final consumption expenditure of non-profit institutions serving households	99,6	91,0	108,3	119,0
Individual final consumption expenditure of general government	100,6	101,9	100,5	99,3
Actual collective final consumption of general government	99,7	97,0	94,4	97,2
Gross fixed capital formation	107,3	107,7	104,1	104,2
Change in inventories	-	-	-	-
Net exports of goods and services	-	-	-	-
Exports of goods and services	110,3	111,6	108,9	107,7
Imports of goods and services	110,0	110,5	106,5	106,0
Gross Domestic Product	102,2	102,3	104,1	104,0

In 2011, changes in the contribution to GDP growth between the two estimates were recorded for:

- Expenditure for actual individual consumption of households, from +0.8% to +1.0%, mainly as consequence of increased volume of households final consumption expenditure by 0.4 percentage points (from 101.2% to 101.6%) and of increased expenditure volume for the final individual consumption of general government by 1.3% (from 100.6% to 101.9%);
- Expenditure for actual collective consumption of general government, from 0.0% to -0.2%, as consequence of decreasing its volume by 2.7 percentage points (from 99.7% to 97.0%);
- Gross Fixed Capital Formation, from +1.8% to +1.9%, as consequence of changing its volume by +0.4 percentage points (from 107.3% to 107.7%).
- Net exports of goods and services, from -0.5% to -0.2%, as consequence of the increase by 0.5 percentage points of goods and services exports contribution correlated with an increase of only 0.2 percentage points of imports of goods and services.

Contribution of uses categories to formation and growth of Gross domestic product, in year 2011

	Contribution to formation of GDP - %		Contribution to growth of GDP - %	
	Semi-final data	Final data	Semi-final data	Final data
Actual final consumption, total	78,4	78,5	0,8	0,8
Actual individual final consumption of households	72,1	72,2	0,8	1,0
Final consumption expenditure of households	62,0	62,1	0,7	1,0
Final consumption expenditure of non-profit institutions serving households	1,4	1,4	0,0	-0,1
Individual final consumption expenditure of general government	8,7	8,7	0,1	0,1
Actual collective final consumption of general government	6,3	6,3	0,0	-0,2
Gross fixed capital formation	26,0	26,1	1,8	1,9
Change in inventories	1,0	0,8	0,1	-0,2
Net exports of goods and services	-5,4	-5,4	-0,5	-0,2
Exports of goods and services	40,0	40,0	3,6	4,1
Imports of goods and services	45,4	45,4	4,1	4,3
Gross Domestic Product	100,0	100,0	2,2	2,3

Gross domestic product by categories of resources and uses in year 2011

	- final data -		
	Results - mill.lei current prices -	Volume indices - % as against 2010 -	Price indices - % as against 2010
Agriculture, forestry and fishing	36341,6	114,0	106,7
Industry	160643,4	100,4	107,7
Construction	44950,3	81,3	115,7
Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accomodation and food service activities	63038,1	101,8	88,8
Information and communication	18975,9	104,4	102,1
Financial and insurance activities	14010,7	112,9	106,2
Real estate activities	46888,8	101,4	100,0
Professional, scientific and technical activities; administrative and support service activities	31050,5	126,5	99,3
Public administration and defence; compulsory social security; education; human health and social work activities	55872,5	100,8	97,9
Arts, entertainment, repair of household goods and other services	15961,4	112,1	106,2
Gross value added – total	487733,2	101,9	102,7
Net taxes on products ¹⁾	69615,0	106,1	114,5
Gross Domestic Product	557348,2	102,3	104,0
Actual final consumption	437355,3	101,0	103,1
Actual individual final consumption of households ²⁾	402129,9	101,4	103,7
Final consumption expenditure of households	345753,4	101,6	104,0
Final consumption expenditure of non-profit institutions serving households	7711,1	91,0	119,0
Individual final consumption expenditure of general government	48665,4	101,9	99,3
Collective final consumption of general government ³⁾	35225,4	97,0	97,2
Gross capital formation	149621,7	106,7	104,7
of which:			
Gross fixed capital formation	145193,4	107,7	104,2
Net exports of goods and services	-29628,8	-	-
Exports of goods and services	222944,9	111,6	107,7
Imports of goods and services	252573,7	110,5	106,0

1) Represents the difference between taxes on products payable to state budget (VAT, excises, other taxes) and subsidies on products paid to state budget.

2) Covers: expenditure of households to buy goods and services with the aim to satisfy their members needs, expenditures for individual consumption of general government (education, health, social security and social activities, culture, sport, recreation activities, waste collection) and expenditures for individual consumption of non-profit institutions serving households (religious organisations, syndicates, political parties, unions, foundations, cultural and sportive associations, etc.).

3) Covers expenditures for collective consumption of general government (general public services, national defence and territorial security, maintenance of public and security order, legislative and regulatory activities, research and development, etc.)

Methodological notes

The Gross Domestic Product at market prices (GDP), the main macroeconomic aggregate of national accountancy, represents the final result of production activities carried out by resident productive units, during a reference period, namely a year. The Gross Domestic Product at market prices, in current prices, is estimated based on the three approaches briefly described below: production approach, expenditure approach and income approach. When estimating the Gross Domestic Product at average prices of previous year, only the first two methods are used.

Production approach	Expenditure approach	Income approach
$GDP = GVA + TP - PS,$ where: GVA = gross value added at basic price; TP = taxes on products; PS = subsidies on products	$GDP = FC + GCF + E - I,$ where: FC = actual final consumption; GCF = gross capital formation; E = exports of goods and services; I = imports of goods and services.	$GDP = CE + TPI - TS + GOS,$ where: CE = compensation of employees; TPI = taxes on production and imports; TS = total subsidies; GOS = gross operating surplus.

The main data sources used for the estimation of annual Gross Domestic Product in the semi-final and final versions are:

- **Statistical sources**

- Structural Business Survey;
- Households Budgets Survey;
- Households Labour Force Survey (HLFS);
- Economic Accounts for Agriculture;
- Balance of Agricultural Products;
- Labour Cost;
- Population and Housing Census;
- Specific surveys carried out by INS specialised departments related to industry, transports, trade, construction, services, number of employees, earnings, etc.;
- Other available annual and infra-annual surveys related to industrial production, construction, services, trade;
- Price indices.

- **Administrative sources**

- Execution of general government budgets – budgetary reports, consisting of: Central government budget; Local administrations budgets; Social security budget, consisting of: Unemployment Funds, Health Insurance Funds, Social Security Funds;
- Statements on global income from independent activities, submitted by individual entrepreneurs and family associations to the Ministry of Public Finances (MPF).

- **Accounting and financial sources:**

- Financial statements of financial companies;
- Financial statements of other economic operators.

- **Other data sources:**
 - Balance of Payments.

GDP estimation at current prices

1. Production approach

The measurement of production and intermediate consumption at current prices is directly carried out by institutional sector and activity branch, based on the available data sources.

The Gross Value Added is estimated as the balance between production and intermediate consumption.

The calculation of taxes and subsidies on products is based on budgetary execution data.

2. Expenditure approach

The main GDP components in the expenditure method are:

- Final consumption expenditure
 - Actual final consumption of households
 - Final consumption expenditure of households
 - Final consumption expenditure of general government
 - Final consumption expenditure of non-profit institutions serving households (NPISH)
 - Actual final consumption of general government
- Gross Capital Formation
 - Gross Fixed Capital Formation
 - Changes in inventories
- Net exports of goods and services:
 - Exports of goods and services;
 - Imports of goods and services.

The assessment of each component is directly carried out based on information taken over from available data sources.

3. Income approach

Based on the income method, GDP is the sum of the following elements: compensation of employees (gross salaries and allowances and social subscriptions paid by employers), gross operating surplus, other taxes on production, taxes on products, out of which other subsidies on production and subsidies on products are to be subtracted.

The compensation of employees, the taxes and subsidies are directly estimated based on information taken over from available data sources.

The Gross Operating Surplus is the balancing item of operating account and represents the remaining value added, newly created in the production process, after the payment of compensations of employees and the taxes on production.

GDP estimation at constant prices (average prices of previous year)

Within the Romanian system of national accounts, the Gross Domestic Product at constant prices is estimated based on two methods: **production approach** and **expenditure approach**. For each approach, independent indices of components are used, while final results are subject to reconciliation.

The Gross Domestic Product at constant prices results from the aggregation of its components, evaluated at constant prices.

The main methods used for the estimation at constant prices are:

- **deflating by prices** methods, in this case the following prices indices are used for deflating the values at current prices: industrial production price indices, construction cost indices, consumer price indices, unit value indices, “inputs” prices, e.g. labour force costs and average price of intermediate consumptions, etc.
- **volume extrapolation** method, using the production volume indices, “inputs” volume indices, e.g.: number of employees or the change in intermediate consumption volume.

Both the semi-final and the final version of Gross Domestic Product have the same coverage and are based on the same data sources. The differences between the semi-final and the final versions are mainly entailed by:

- the level of details for the estimation of all aggregates, namely:
 - in the semi-final version, production, intermediate consumption and gross value added are estimated at division (2 digits) level of CANE rev.2, while in the final version these are estimated at class (4 digits) level of the same classification;
 - in the semi-final version, the expenditure elements, as well as taxes and subsidies on product are estimated only at total economy level, while in the final version these are estimated at class (4 digits) level of CPSA 2008;
- the process of balancing resources and uses, namely:
 - in the semi-final version, at total economy level;
 - in the final version, by class, according to CPSA 2008.

The final version of national accounts also includes the synthesis tables required by ESA95, namely:

- **The Input – Output / Resources – Uses Table** at division level of CANE rev.2. The table is compiled both at current prices and at previous year prices.
- **The Table of Integrated Economic Accounts**, at current prices, for the six institutional sectors. The accounts are balanced based on the accounting balancing items.

The methodology on the compilation of annual national accounts and annual GDP data is published on the INS web page: www.insse.ro.

Gross Domestic Product for 2012, semi-final data, will be published in a press release, according to the calendar published on the INS web page, on December 20th, 2013.

Comparative data with other European Union Member States could be obtained from the Eurostat web page: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>.