

PRES RELEASE

No. 308 of December 20th, 2013

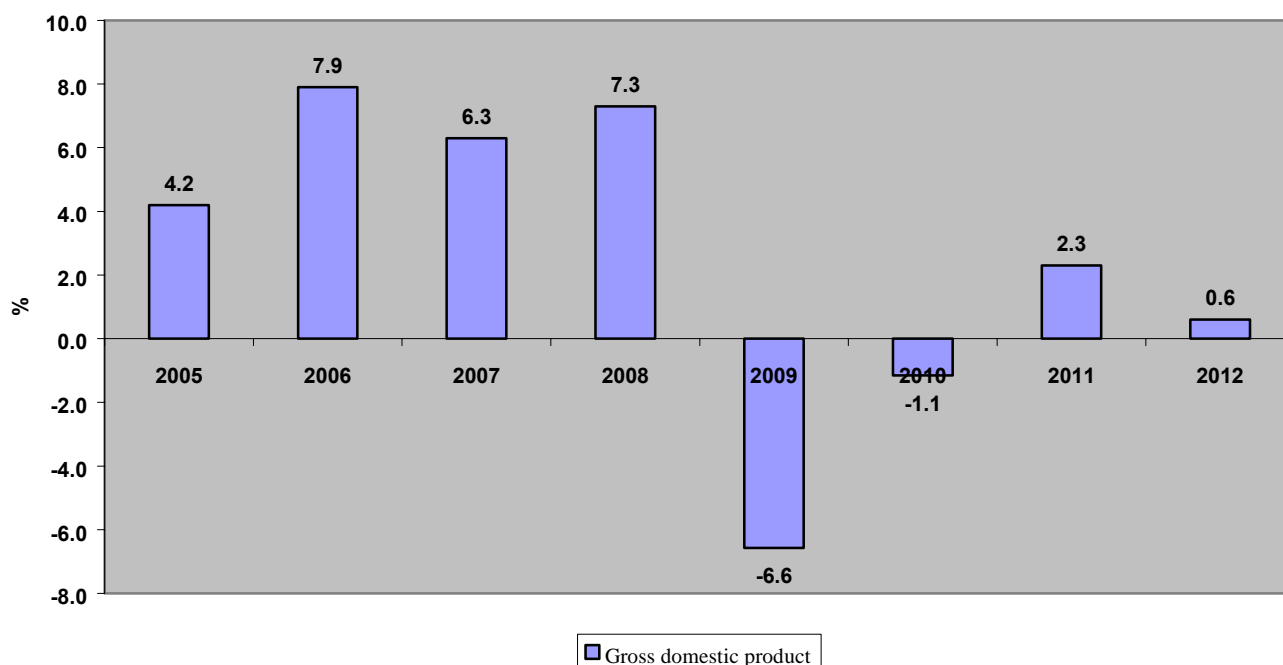
Gross Domestic Product in 2012

- semi-final data -

The Gross Domestic Product in 2012 – semi-final data – was, in real terms, by 0.6% higher as compared to 2011.

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

Gross domestic product evolution, during 2005-2012
- percentage change compared with the previous year -



The Gross Domestic Product estimated for 2012 –semi-final data amounted to 586749.9 million lei current prices, increasing – in real terms – by 0.6% as against 2011.

Gross Domestic Product, in 2012

	Provisional data	Semi-final data	Differences (+/-)
Million lei current prices	587499.4	586749.9	-749.5
GDP dynamics - as % against 2011	100.7	100.6	-0.1
GDP deflator PIB - as % against 2011	104.8	104.7	-0.1

As compared to the provisional version, in the semi-final version the Gross Domestic Product estimated for 2012 diminished by 0.1%.

As for the Gross Domestic Product formation, the changes that occurred in the semi-final version as compared to the provisional one, both in terms of volumes and prices by activity branches, are shown in the table below.

The GDP evolution by resources, in 2012

	Volumes - % as against 2011-		Prices - % as against 2011-	
	Provisional data	Semi-final data	Provisional data	Semi-final data
Agriculture, forestry and fishing	78.4	75.4	108.1	104.5
Minning and quarrying; manufacturing; electricity, gas, steam and air conditioning production and supply; water supply; sewerage, waste management and decontamination activities	99.0	98.8	104.8	104.4
Construction	99.7	101.9	106.4	109.8
Wholesale and retail; repair of motor vehicles and motorcycles; transport and storage; hotels and restaurants	101.5	108.7	105.7	100.3
Information and communication	129.1	105.2	101.1	104.3
Financial intermediation and insurance	99.8	99.0	104.4	103.7
Real estate activities	101.6	100.1	101.8	102.4
Professional, scientific and technical activities; activities of administrative services and support services	109.9	112.4	102.4	103.8
Public administration and defence; social insurance of public sector; education; health and social assistance	102.2	100.5	108.4	109.4
Shows, culture and recreation activities; repair of households goods and other services	103.1	104.5	103.4	106.1
Gross value added	100.4	100.3	105.0	104.7
Net taxes on products	102.6	102.6	103.5	104.5
Gross domestic product	100.7	100.6	104.8	104.7

The contribution of GDP resources to the nominal value and growth rate of GDP, in 2012

	Contribution to the nominal value of GDP - %		Contribution to the growth rate of GDP - %	
	Provisional data	Semi-final data	Provisional data	Semi-final data
Agriculture, forestry and fishing	5.3	4.9	-1.3	-1.6
Minning and quarrying; manufacturing; electricity, gas, steam and air conditioning production and supply; water supply; sewerage, waste management and decontamination activities	28.4	28.2	-0.3	-0.4
Construction	8.6	8.6	0.0	0.2
Wholesale and retail; repair of motor vehicles and motorcycles; transport and storage; hotels and restaurants	11.5	11.7	0.2	1.0
Information and communication	4.0	3.5	0.9	0.2
Financial intermediation and insurance	2.5	2.5	0.0	0.0
Real estate activities	8.4	8.2	0.1	0.0
Professional, scientific and technical activities; activities of administrative services and support services	5.9	6.2	0.5	0.7
Public administration and defence; social insurance of public sector; education; health and social assistance	10.4	10.5	0.2	0.1
Shows, culture and recreation activities; repair of households goods and other services	2.6	3.0	0.1	0.1
Gross value added	87.6	87.3	0.4	0.3
Net taxes on products	12.4	12.7	0.3	0.3
Gross domestic product	100.0	100.0	0.7	0.6

In 2012, most significant changes in the contribution to GDP growth, between the two estimates, were recorded for:

- Wholesale and retail, repairs of motor-vehicles and motorcycles; transport and storage; hotels and restaurants, from +0.2% to +1.0%, as consequence of changing the activity volume by +7.2 percentage points (from 101.5% to 108.7%);
- Construction, from 0.0% to +0.2%, as consequence of changing the activity volume by +2.2 percentage points (from 99.7% to 101.9%);
- Professional, scientific and technical; activities; administrative services and support services activities, from +0.5% to +0.7%, as consequence of changing the activity volume by +2.5 percentage points (from 109.9% to 112.4%);
- Agriculture, forestry and fishery, from -1.3% to -1.6%, as consequence of changing the activity volume by -3.0 percentage points (from 78.4% to 75.4%);
- Information and communications, from +0.9% to +0.2%, as consequence of changing the activity volume by -23.9 percentage points (from 129.1% to 105.2%).

As for Gross Domestic Product uses, the changes that occurred in the final version as compared to the semi-final one, both in terms of volumes and prices by category of uses, are shown in the table below.

The GDP evolution by use, in 2012

	Volumes - % as against 2011-		Prices - % as against 2011-	
	Provisional data	Semi-final data	Provisional data	Semi-final data
Total final consumption	101.2	101.5	103.9	104.1
Actual individual consumption of households	101.1	101.5	103.6	104.0
Final consumption expenditure of households	101.0	101.1	102.9	103.9
Final consumption expenditure of Non-profit institutions serving households	104.3	119.9	103.0	105.6
Individual final consumption expenditure of General government	101.1	101.5	108.9	104.4
Collective final consumption expenditure of General government	102.4	100.7	107.6	105.6
Gross fixed capital formation	104.9	103.8	103.4	102.3
Change in inventories	-	-	-	-
Net export	-	-	-	-
Export of goods and services	97.0	98.5	108.7	108.6
Import of goods and services	99.1	99.8	106.0	105.6
Gross domestic product	100.7	100.6	104.8	104.7

In 2012, 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 +1.2%, as consequence of increased expenditure volume for households final consumption by 0.1 percentage points (from 101.0% to 101.1%), the expenditure for final individual consumption of non-profit institutions serving households, by 15.6 percentage points (from 104.3% to 119.9%) and of the expenditure volume for the final individual consumption of public administrations by 0.4% (from 101.1% to 101.5%);
- Expenditure for actual collective consumption of public administrations, from +0.2% to 0.0%, as consequence of decreasing its volume by 1.7 percentage points (from 102.4% to 100.7%);
- Gross Fixed Capital Formation, from +1.3% to +1.0%, as consequence of changing its volume by -1.1 percentage points (from 104.9% to 103.8%).
- Net exports of goods and services, from -0.8% to -0.5%, as consequence of the increase by 0.6 percentage points of goods and services exports contribution correlated with an increase of only 0.3 percentage points of goods and services imports.

The contribution of GDP expenditure to the nominal value and growth rate of GDP, in 2012

	Contribution to the nominal value of GDP - %		Contribution to the growth rate of GDP - %	
	Provisional data	Semi-final data	Provisional data	Semi-final data
Total final consumption	78.1	78.7	1.0	1.2
Actual individual consumption of households	71.5	72.3	0.8	1.2
Final consumption expenditure of households	61.0	61.9	0.6	0.7
Final consumption expenditure of Non-profit institutions serving households	1.4	1.6	0.1	0.3
Individual final consumption expenditure of General government	9.1	8.8	0.1	0.2
Collective final consumption expenditure of General government	6.6	6.4	0.2	0.0
Gross fixed capital formation	26.7	26.3	1.3	1.0
Change in inventories	0.4	-0.3	-0.8	-1.1
Net export	-5.2	-4.7	-0.8	-0.5
Export of goods and services	40.0	40.6	-1.2	-0.6
Import of goods and services	45.2	45.3	-0.4	-0.1
Gross domestic product	100.0	100.0	0.7	0.6

GROSS DOMESTIC PRODUCT BY RESOURCES AND USES, IN 2012

- semi-final data -

	Millions RON current prices	Volume indices – in % as against 2012	Price indices – in % as against 2012
Agriculture, forestry and fishing	28638.1	75.4	104.5
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning production and supply; water supply; sewerage, waste management and decontamination activities	165747.0	98.8	104.4
Construction	50292.5	101.9	109.8
Wholesale and retail; repair of motor vehicles and motorcycles; transport and storage; hotels and restaurants	68757.6	108.7	100.3
Information and communication	20821.9	105.2	104.3
Financial intermediation and insurance	14390.6	99.0	103.7
Real estate activities	48057.4	100.1	102.4
Professional, scientific and technical activities; activities of administrative services and support services	36239.5	112.4	103.8
Public administration and defence; social insurance of public sector; education; health and social assistance	61473.0	100.5	109.4
Shows, culture and recreation activities; repair of households goods and other services	17694.6	104.5	106.1
Gross value added	512112.2	100.3	104.7
Net taxes on products ¹⁾	74637.7	102.6	104.5
Gross domestic product	586749.9	100.6	104.7
Final consumption	461936.1	101.5	104.1
Actual individual consumption of households ²⁾	424490.5	101.5	104.0
Final consumption expenditure of households	363129.7	101.1	103.9
Final consumption expenditure of Non-profit institutions serving households	9767.7	119.9	105.6
Individual final consumption expenditure of General government	51593.1	101.5	104.4
Collective final consumption expenditure of General government ³⁾	37445.6	100.7	105.6
Gross capital formation	152485.3	99.6	102.3
of which:			
Gross fixed capital formation	154279.8	103.8	102.3
Net export	-27671.5	-	-
Export of goods and services	238470.0	95.7	109.3
Import of goods and services	266141.5	99.8	105.6

1) Represents the difference between taxes on product due to the State Budget (VAT, excise duties, other taxes) and product subsidies paid from the State Budget.

2) Comprises: expenditure of population households for purchasing goods and services in view to meet their members needs, the expenditure for individual consumption of public administration (education, health, social security and social activities, culture, sport, leisure activities, collection of household waste) and the expenditure for individual consumption of non-profit institutions serving households (religious organisations, trade unions, political parties, unions, foundations, cultural and sport associations).

3) Comprises the expenditure for collective consumption of public administration (general public services, national defence and territory security, public order and security, legislative and regulatory activities, research & 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 defined period, namely a year. The Gross Domestic Product at market prices, in current prices, is estimated based on the three method briefly described below: production method, expenditure method and income method. When estimating the Gross Domestic Product at average prices of previous year, only the first two methods are used.

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

I. GDP estimate in the provisional version

For the GDP estimate – provisional version - indirect sources, estimation and extrapolation methods are used, top a large extent – due to the lack of complete primary data, unavailable at the moment of GDP compilation in the provisional version.

The main data sources used for annual Gross Domestic Product estimation, in the provisional version, are as follows:

- **Statistical sources**

- infra-annual surveys on industrial production indices, indices of construction works, turnover volume indices of retail and services rendered to the population, indices of goods and passengers travel, investment indices, value indices of turnover in wholesale and business services; industrial production price indices, consumer price indices, construction cost indices, price indices for services, unit value indices for foreign trade;
- production account of agriculture, developed based on operational data from the Ministry of Agriculture - provisional data;
- infra-annual surveys on earnings and number of employees.

- **Administrative sources**

- Provisional execution of general consolidated budget.
- **Accountancy and financial sources**
 - Balance sheets of financial institutions;
- **Other data sources:** Balance of external payments – provisional data.

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

1. Output approach

Estimation of production:

- for non-financial companies (enterprises), households and non-profit institutions the output is estimated, by activity branches (10 branches), by extrapolating in terms of volume and price or value, the output of the previous year, using the volume, price and value indices available from statistical data sources;
- for financial corporations and government, the output is directly calculated based on data sources (balance sheets and budgetary executions).

Estimation of intermediate consumption:

- for non-financial companies (enterprises), population households and non-profit institutions the intermediate consumption is estimated, by activity branches (10 branches), by applying the intermediate consumption weight in production from the previous year (based on the assumption of technological coefficients steadiness) in the lack of information on actual weights for the current year;
- for financial corporations and government, intermediate consumption is directly calculated based on data sources (balance sheets and budgetary executions).

Estimation of Gross Value Added:

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

Calculation of taxes and subsidies on product:

Taxes and subsidies on products are directly determined based on data of consolidated budget.

2. Expenditure approach

The main GDP components in the expenditure method are:

- Final consumption expenditure
 - Actual final consumption of households, which includes:
 - 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, which includes:
 - Gross Fixed Capital Formation;
 - Change in inventories.
- Net exports of goods and services, calculates as a balance between:
 - Exports of goods and services;
 - Imports of goods and services.

Estimation of final consumption expenditure of households and Gross Fixed Capital Formation

is done by extrapolating in terms of volume and price, or value, the data of the previous year, using the

volume, price and value indices available from statistical data sources on retail, services rendered to population, passengers travel, investments, consumer price indices, construction cost indices, agricultural production price indices.

The final consumption expenditure of general government: is directly estimated based on budgetary executions data.

Estimation of final consumption expenditure of non-profit institutions serving households Is done by extrapolation, based on certain value and price assumptions.

The exports and imports of goods and services are directly determined based on the Balance of Payments data.

II. GDP estimation in semi-final version

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

- **Statistical sources**
 - Structural Business Survey;
 - Family 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 specialised departments within the INS on industry, transports, trade, construction, services, number of employees, earnings, etc.;
 - Other annual and infra-annual available surveys on industrial production, construction, services, trade;
 - Price indices.
- **Administrative sources**
 - Execution of public administrations general budget – budgetary reports, consisting of: Central public administration budget; Local administrations budget; Social security budget, consisting of: Unemployment fund, Health insurance fund, Social security fund.
 - Statements on global income from independent activities, submitted by individual entrepreneurs and family associations to the Ministry of Public Finances (MPF).
- **Accountancy and financial sources**
 - Financial balance sheets of financial companies;
 - Financial balance sheets of other economic operators.
- **Other data sources**
 - Balance of Payments

GDP estimation at current prices

1. Output approach

The valuation of production and intermediate consumption at current prices is directly done, by institutional sectors and activity branches, based on information from available data sources.

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

Calculation of taxes and subsidies on product is based on budgetary execution data.

2. Expenditure approach

The valuation of each component is directly done based on information from available data sources.

3. Income approach

In the income method, GDP is obtained by summing up the following components: compensation of employees (earnings and gross allowances and social fees paid by the employer), gross operating surplus, other taxes on production, taxes on products, less other subsidies on production and subsidies on products.

The estimation of compensation of employees, taxes and subsidies is directly done based on information from available data sources.

The gross operating surplus is the balancing item of operating account and represents the remaining part of the value added, newly created in the production process, after the compensation of employees and the taxes on production payments.

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

The Gross Domestic Product at constant prices is estimated within the Romanian system of national accounts by two methods: the **output approach** and the **expenditure approach**. For each method, 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 for the assessment at constant prices are:

- **Price deflating** methods are using the following price indices to deflate the values expressed at current prices: industrial production price indices, construction cost indices, consumer price indices, unit value indices, “inputs” prices, e.g. labour force price or an average price of intermediate consumptions, etc.
- **Volume extrapolation** method, using production volume indices, volume indicators of “inputs”, e.g. number of employees or output change in volume.

The methodology for the compilation of annual national accounts and the annual GDP data are published on the INS website: www.insse.ro.

The Gross Domestic Product for 2013, provisional data, are to be published in a pres release, according to the calendar provided on the INS website, on March 5th, 2014.

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