

COMMUNICATION

Impact of globalisation on the system of national accounts

The Hungarian Central Statistical Office (HCSO) is committed to continuously improve data quality with aim of drawing a more exact and internationally comparable picture of the macroeconomic situation to its users. In line with HCSO's publication policy and the EU regulations, annual national accounts data will be published at the end of September/beginning of October. The introduction of the methodological and technical improvements will be reflected in the new figures which will change to a small extent. In order to maintain comparability over time, data will be back-casted until 1995. The most important improvements are as follows:

- Modification of external trade data. Foreign traders of multinational companies without physical presence (VAT registrations) played an important role in the dynamic improvement of external trade balance since 2004. These special traders are considered as non-residents in the Hungarian national accounts and balance of payments. They realise a margin on their transactions with their resident partners, which is not reflected in the corresponding production data. The correction of this imbalance was introduced in 2008, which is made on an aggregated level. In addition to this general correction method, a new correction is introduced now in the case of the biggest international enterprises. As a result, **external trade data in the national accounts and the balance of payments is corrected** back until 2007. This change has an effect on the level of GDP.
- Modification of tourism imports data. Travel and expenditures of Hungarians working abroad for more than a year was removed from tourism imports, the corresponding external trade and household final consumption data were corrected accordingly, back until 2005. **This correction affects only the structure of the expenditure side to GDP.**
- Changeover to NACE Rev.2. After the changes in other areas of economic statistics and in line with EU requirements, national accounts moves from NACE Rev.1.1. to NACE Rev.2 classification of economic activities. This change **has no impact on the level of GDP, however the distribution of production, investments etc. has been changed.**
- Integration of Supply and use tables (SUT) in the national accounts. Balancing between production and expenditure approaches to GDP is made at the level of goods and services, which results in an improved consistency of data. SUT integration has its indirect effects as well on the system of national accounts in the form of data corrections and methodological improvements. **SUT integration influences mainly the internal structure of GDP. The statistical discrepancy that was recorded at the expenditure side of GDP before, is eliminated.**
- New estimation method for the production of sole proprietors. A new model was set up, which uses VAT records of sole proprietors and the results of their tax audits. This

improvement has an **impact mainly on the structure by activities, and the level of GDP changes in a small extent.**

The above corrections of external trade and tourism data are introduced also into the balance of payments statistics of the Hungarian National Bank consistently with the national accounts data of HCSO.

Considering the time needed for feeding new datasets, HCSO's dissemination database with detailed data will be accessible in the second half of October 2011. The stADAT system with pre-defined tables will be available in the same detail as before.

Quarterly time series which are fully comparable with the new annual data will be released together with the regular publication of quarterly data in December 2011.

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Hungarian Central Statistical Office