

<b>0. Prerequisites</b>	
<b>0.1 Legal environment</b>	<p><b>0.1.1 Responsibility for collecting, processing, and disseminating statistics</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>According to article 7 of the "Georgian Law on Official Statistics" (<i>Law</i>), the National Statistics Office of Georgia (NSO) is responsible for the collection, processing and dissemination of statistical data.</p> <p>According to the <i>Law</i>, other state bodies (organizations), may perform activities in the field of official statistics in accordance with international standards and methodologies.</p> <p>The NSO ensures the coordination of works in the field of official statistics, issues recommendations on statistical standards and methodologies, performs the exchange of statistical information between administrative bodies and supports the implementation of approved standards and methodologies.</p>
	<p><b>0.1.2 Data sharing and coordination among data producing agencies</b></p> <p>NSO uses in its work (for compiling National Accounts) statistical data of the Ministry of Finance of Georgia, National Bank of Georgia and Insurance Monitoring Agency.</p>
	<p><b>0.1.3 Confidentiality of individual reporters' data</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>According to the <i>Law</i>, article 28 "Statistical Data Confidentiality":</p> <ol style="list-style-type: none"> <li>1. Data acquired for statistical purposes are confidential, if they enable to identify respondent.</li> <li>2. The dissemination of confidential statistical data or their use for non-statistical purposes is prohibited unless the cases stated by the Georgian legislation.</li> </ol>
	<p><b>0.1.4 Ensuring statistical reporting</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>According to the <i>Law</i>, article 25 "Obligation to Provide Statistical and Other Information":</p> <ol style="list-style-type: none"> <li>1. To ensure the implementation of its duties, the NSO is eligible to request statistical and other information (including confidential) from administrative bodies and other legal and natural persons.</li> <li>2. Administrative bodies are obliged to provide the NSO with information on natural and legal bodies of private law which is available for them.</li> </ol>
<b>0.2 Resources</b>	<p><b>0.2.1 Staff, facilities, computing resources, and financing</b></p> <p>National Accounts division staff includes 6 employees (head, 1 senior specialist and 4 chief specialists); 6 Personal Computers, 1 Laptop, 2 printers, 1 all-in-one printer.</p>
	<p><b>0.2.2 Ensuring efficient use of resources</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>In order to ensure the efficient use of resources the following measures are</p>

	<p>undertaken:</p> <ol style="list-style-type: none"> <li>1. The thorough planning of statistical works (on multi-annual, annual and quarterly basis) that ensure the production and dissemination of reliable and relevant statistical information;</li> <li>2. The permanent monitoring of the appropriate use of resources according their destination.</li> </ol> <p>Special attention is granted to the improvement of the staff performances, especially its qualification and abilities.</p> <p><b><u>National accounts</u></b></p> <p>The criterion of efficiency is used when the national accounts unit tasks are carried out.</p>
<b>0.3 Relevance</b>	<p><b>0.3.1 Monitoring user requirements</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>In order to assure the production and dissemination of relevant statistics in the process of elaboration of draft annual program of statistical works, the interested public and other institutions are consulted.</p> <p><b><u>National accounts</u></b></p> <p>Comments of the bodies of state administration are taken into account when the forms of state statistical observations and directions for their completing are revised.</p>
<b>0.4 Quality management</b>	<p><b>0.4.1 Quality policy</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>Quality awareness is evidenced by references to quality in the <i>Law</i> according which the production of statistical information is based on the principles of impartiality, statistical deontology.</p> <p><b>0.4.2 Quality monitoring</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>A range of measures to ensure the high quality of works at each stage of information flow are undertaken.</p> <p>The primary and processed data are carefully checked for their internal, temporal consistency, as well as cross-checked with available data from other statistical and administrative sources of information.</p> <p>In order to ensure the high quality of primary data, frequently there are meetings.</p> <p><b><u>National accounts</u></b></p> <p>The quality of the national accounts outputs can be measured by means of their accuracy which is shown in the size of differences between original and revised outputs (when an impact of methodological changes is excluded).</p> <p><b>0.4.3 Quality planning</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>Quality policy is based on the provisions of national and EU legislation, Strategy of NSO, European Statistics Code of Practice, user needs and expectations. It defines overall intentions and directions of institution related to quality.</p> <p><b><u>National accounts</u></b></p>

	<p>Comprehensive project management methodology is followed prior to launching new surveys including quality considerations.</p>
<b>1. Integrity</b>	
<b>1.1 Professionalism</b>	<p><b>1.1.1 Impartiality of statistics</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>According to the <i>Law</i>, article 4 the basic principles of state statistics are: professional independence, objectivity, reliability, data confidentiality, effectiveness.</p> <p>The NSO is concerned to honor its independence and objectivity by The Law and regulation pursuing the objectivity of tools used, such as survey methods, statistical classifications, definitions of indicators, etc., as well as the objectivity of releasing and providing statistical data and information.</p> <p><b>1.1.2 Selection of sources, methodology, and modes of dissemination</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>Bodies of the NSO and other statistical establishments shall obtain statistical information by means of statistical observations (current statistical reports and specially arranged statistical observations).</p> <p>Objects of statistical observations shall be Georgian residents as well as non-residents being on the territory of Georgia within the observation program limits.</p> <p>A type of the statistical observation, a circle of the observation objects, the regularity, the form and term of data presentation are defined in accordance with the observation objectives and shall, together with appropriate methodological institutions, be approved by the NSO.</p> <p>Producing the statistics and disseminating the information derived as a result of producing the statistics shall be in compliance with the international standards and practice.</p> <p><b><u>National accounts</u></b></p> <p>All type of sources are used (Business Statistics Department, Social Statistics Department, Population Census and Demographic Statistics Department, Price Statistics Department, National Bank of Georgia, Ministry of Finance), which corresponds to SNA 93 (main methodology).</p> <p>The modes of dissemination (electronic, CD, DVD, publications, etc.) depend on the demand of the users.</p> <p><b>1.1.3 Commenting on erroneous interpretation and misuse of statistics</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>The NSO has full authority to comment on erroneous interpretation and misuse of statistics. This rarely occurs due to the provision of press briefings/conferences where NSO.</p> <p>Staff can provide information on methodologies, interpretation of statistics and respond to general questions.</p>
<b>1.2 Transparency</b>	<p><b>1.2.1 Disclosure of terms and conditions for statistical collection, processing, and dissemination</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p>

	<p>Disclosure of terms and conditions for statistical collection, processing and dissemination is guaranteed by the state statistical program each year adopted by the president of Georgia. In state statistical program each data produced by the NSO has its short description, periodicity and timelines.</p> <p>The law on statistics is publicly available on NSO's website <a href="http://www.geostat.ge">www.geostat.ge</a> (in English on web page <a href="http://geostat.ge/cms/site_images/law_eng.pdf">http://geostat.ge/cms/site_images/law_eng.pdf</a>), also on the web of the Ministry of Justice of Georgia: <a href="http://www.justice.gov.ge">www.justice.gov.ge</a></p> <p><b>1.2.2 Internal governmental access to statistics prior to release</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>There are no privileges for accession on statistical data in Georgia. Statistical data are equally available to all users from the web: <a href="http://www.geostat.ge">www.geostat.ge</a>, also from publications of the NSO.</p> <p><b>1.2.3 Attribution of statistical products</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>There is no ministerial comment on the occasion of statistical releases.</p> <p><b>1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques.</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>Methodology (for data collection, processing and analysis) and questionnaires of the NSO are adopted by the Statistical Board of the NSO which consists of 8 members (including its Chairman – an Executive Director of the NSO).</p> <p>For any changes in methodology, data source or questionnaire content or its design there is a need of changes in the resolution of the Statistical Board.</p>
<b>1.3 Ethical standards</b>	<p><b>1.3.1 Guidelines for staff behavior</b></p> <p><b><u>National Statistics Office of Georgia</u></b></p> <p>The law of Georgia on Public Service (articles 73<sup>1</sup> – 73<sup>5</sup>) and the internal regulations of the NSO define the staff behavior.</p>
<b>2. Methodology</b>	
<b>2.1 Concepts and definitions</b>	<p><b>2.1.1 Concepts and definitions</b></p> <ul style="list-style-type: none"> <li>• Analytical framework: Basics of Georgian National Accounts is the System of National Accounts 1993 (SNA93).</li> <li>• Definitions: Gross Domestic Product (GDP) measures the total value of final goods and services produced by domestic institutional units during the period of time. The data are compiled by the production approach at both current and constant (1996 and 2003) prices; by the expenditure approach and by the income approach at current prices.</li> </ul> <p>GDP at market prices from the production side is defined as the sum of gross values added of resident producers at basic prices plus taxes not included in the value of their outputs and excluding subsidies on products. From the expenditure side, GDP is defined as the total final expenditure plus gross capital formation plus net export. The GDP from the income approach is the sum of compensation of employees, gross operating surplus or mixed income and taxes linked to production and imports less</p>

	<p>subsidies.</p> <p>Gross National Income (GNI) is a sum of primary incomes earned by factors of production.</p> <p>Disposable Income is the <a href="#">amount</a> of <a href="#">income</a> left to an <a href="#">individual after taxes</a> have been <a href="#">paid</a>, available for spending and <a href="#">saving</a>.</p> <p>Gross saving is a part of Disposable Income, which has not been spent on final consumption.</p> <p>Net lending/net borrowing corresponds to the amount available to a unit or sector for financing, directly or indirectly, other units or sectors, or the amount which a unit or sector is obliged to borrow from other units or sectors.</p>
<b>2.2 Scope</b>	<b>2.2.1 Scope</b>
	<p><b>Scope of the data</b></p> <p>National Accounts cover the whole territory of Georgia (see also exceptions to coverage 2.2.1.2) and all kinds of economic activities.</p> <p>Accounts are compiled using results of regular statistical surveys and special surveys.</p> <p><b>Exceptions to coverage</b></p> <p>The National Accounts do not include territorial enclaves of other countries (embassies, military bases, etc.) or international organizations, although they do include enclaves of our country on the territory of other countries.</p> <p><b>Geographical coverage:</b> Data do not cover the territories of Abkhazian Autonomous Republic and Tskhinvali Region (former South Ossetian Autonomous Region) – a part of Georgian territory not controlled by the central authorities.</p> <p><b>Unrecorded activity</b></p> <p>The non-observed economy is estimated using special sample surveys.</p>
<b>2.3 Classification/sectorization</b>	<b>2.3.1 Classification/sectorization</b>
	<p>National Accounts are currently published using the Georgian national classification of economic activities (GNC 001-2004). It was created on the base of Statistical Classification of Economic Activities in the European Community (NACE rev 1.1).</p> <p>The national classification of products (CPA 002-99) used in Georgian National Accounts for compiling the resources and uses tables. It corresponds to Classification of Products by Activity in the European Community (CPA).</p> <p>Individual consumption expenditure of households is classified according to the Classification of Individual Consumption by Purpose (COICOP).</p> <p>Commodity Nomenclature for External Economic Activities based on the Harmonized Commodity Coding and Description System is used for compilation National Accounts.</p>
<b>2.4 Basis for recording</b>	<b>2.4.1 Valuation</b>

Output and gross value added are estimated at basic prices; intermediate consumption and gross fixed capital formation at purchasers' prices; inventories at basic prices; imputed dwelling services and non-market services at cost and household expenditure at purchasers' prices; imports and exports of goods and services are valued at FOB; foreign trade transactions in foreign currency are converted to the domestic currency using the official exchange rate of the National Bank of Georgia prevailing at the moment when the transactions take place.

#### 2.4.2 Recording basis

Transactions are generally recorded on an accrual basis.

#### 2.4.3 Grossing/netting procedures

Computing procedures on a gross/net basis correspond to SNA 1993. Value-added data are compiled and published on a gross basis.

### 3. Accuracy and reliability

#### 3.1 Source data

##### 3.1.1 Source data collection programs

Production approach: The estimates primarily based on quarterly and annual business surveys. In addition, results from quarterly household surveys are used to complement the above data sources. Data from agricultural survey used for agricultural sector. Other sources include data from the Ministry of Finance for compiling the government sector and the estimates on taxes and subsidies. Data from the National Bank of Georgia and commercial banks are used to derive estimates for the financial sector. Estimates also based on data about insurance companies from Insurance Monitoring Agency. The monthly CPI and PPI indices are used for deflation.

- Expenditure approach: The estimates for final consumption categories are based on:
  - data from household surveys for households final consumption expenditures;
  - data from the Ministry of Finance on government current operating expenditures;
  - data from business survey on capital formation and inventory changes;
  - data from Balance of Payments.
- Income approach: The data for the estimates are derived:
  - from the Labour Force Survey;
  - from the Ministry of Finance on taxes and subsidies;
  - from quarterly and annual business survey.

##### 3.1.2 Source data definitions, scope, classifications, valuation, and time of recording

Source data are in conformity with definitions, scope of statistical coverage and classifications in national accounts statistics. Annual and quarterly data on National Accounts are compiled based on the source data for the reference period.

##### 3.1.3 Source data timeliness

Source data are timely for compiling National Accounts.

The timeliness for data of Quarterly Business Survey and Households survey is

	65 <sup>th</sup> day after the end of the quarter, for data from the Ministry of Finance – 60 <sup>th</sup> day and for data from National Bank of Georgia – 30 <sup>th</sup> day after the end of reference period.
<b>3.2 Assessment of source data</b>	<b>3.2.1 Source data assessment</b>
	Routine assessment of source data is provided primarily by branch departments of the NSO. When the national accounts division as the user of those data is doubtful about some inputs they refer to branch departments.
<b>3.3 Statistical techniques</b>	<b>3.3.1 Source data statistical techniques</b>
	Main macroeconomic indicators are calculated by methods of production, final consumption and income at current prices. GDP estimation at constant prices is made only for indicators calculated by production approach yet in Georgia (to 2003 – by single deflation, after 2003 – by double deflation). For recalculation of GDP into constant prices use the method of double deflation, whereby gross value added is measured at constant prices by subtracting intermediate consumption at constant prices from output at constant prices. It is done using appropriate price indices for deflation of output and intermediate consumption separately and then subtracting.
	<b>3.3.2 Other statistical procedures</b>
	Reconciliation: GDP estimates obtained in accordance with the production approach are usually considered more reliable than estimates made according to the expenditure approach. GDP estimates obtained in accordance with the production and expenditure approaches are reconciled through the incorporation of the statistical discrepancy as a component of GDP according to the expenditure approach, that is, as a balancing item.
	Regular seasonally adjusted data have been calculated with the help of the Tramo/Seats method (Demetra 2.0). These estimates have not yet been published.
<b>3.4 Data validation</b>	<b>3.4.1 Validation of intermediate results</b>
	Business Statistics Department monitors quality of primary data from enterprises. In case of any mistake, corrections are made in the data base and in the national accounts data consequently.
	<b>3.4.2 Assessment of intermediate data</b>
	Comparative analysis of Business Statistics with Labour Force Survey is used in order to verify completeness of data. In different types of activities/works specific periodical analysis is used to evaluate unaccounted non-observed economy, results of which are used to make necessary corrections in the future.
	<b>3.4.3 Assessment of discrepancies and other problems in statistical outputs</b>
	By using techniques mentioned in 3.3.1 we conform the differences between initial and intermediate data.
<b>3.5 Revision studies</b>	<b>3.5.1 Revision studies and analyses</b>

	Data are revised usually once a year on the basis of outcomes of annual structural statistical studies in case when new more trustworthy data are received from new information source or a survey. In this case general correction of timelines is carried out by using <i>Benchmarking</i> .
<b>4. Serviceability</b>	
<b>4.1 Periodicity and timeliness</b>	<b>4.1.1 Periodicity</b>
	GDP data are computed quarterly.
	<b>4.1.2 Timeliness</b>
	NSO publishes the quarterly GDP estimates on the 85 <sup>th</sup> day after the end of the quarter.
<b>4.2 Consistency</b>	<b>4.2.1 Internal consistency</b>
	The statistics are internally consistent in the sense that: <ul style="list-style-type: none"> <li>• The statistical discrepancies between the estimates of production approach and the expenditure approach are minimal and stable over time.</li> <li>• GDP estimates at current prices, volume measures and deflators are consistent within the "value = volume x price" framework.</li> <li>• All totals are the sum of the details (annual/quarterly, national/regional, sectoral/general), except for the problem of non-additivity due to chain-linking of price-adjusted data.</li> </ul>
	<b>4.2.2 Temporal consistency</b>
	Currently, the year 2003 is a base year for all years following 2003 for constant price estimations. The previous base year was 1996. GDP time series are presented both in 1996 and 2003 prices.
	Data on quarterly national accounts are also available in the form of growth rates compared to the corresponding period of the previous year on the following website: <a href="http://www.geostat.ge/index.php?action=page&amp;p_id=119&amp;lang=eng">http://www.geostat.ge/index.php?action=page&amp;p_id=119&amp;lang=eng</a>
	<b>4.2.3 Intersectoral and cross-domain consistency</b>
	Data on the national accounts are cross-checked against data on the Balance of Payments, the report on budget execution and branch statistics.
<b>4.3 Revision</b>	<b>4.3.1 Revision schedule</b>
	Annual and quarterly accounts are revised based on data of the annual structural statistical survey.
	<b>4.3.2 Identification of preliminary and/or revised data</b>
	When data are disseminated, it is indicated whether the data are preliminary or



revised.

#### 4.3.3 Dissemination of revision studies and analyses

The whole previous history of changes of growth indexes and current and constant price evaluation of national accounts, and its statistical analysis (average, minimum, maximum, etc.) is disseminated in hard copy form as well as electronically.

### 5. Accessibility

#### 5.1 Data

##### 5.1.1 Statistical presentation

National accounts data are compiled and disseminated by the NSO. The following accounts and balance sheets are compiled: the Production account, the generation of income account, the allocation of primary income account, the secondary distribution of income account, the use of income account, the capital account, the goods and services account, supply and use tables.

Main Macroeconomic Aggregates are calculated: Gross Domestic Product (GDP), Net Domestic Product, Gross National Income, Net National Income, Gross Disposable Income, Consumption of fixed Capital, Net Saving, Net Lending(+)/Net Borrowing(-).

Compilation of accounts began from 1990. Quarterly data are available since the beginning of 1996.

##### 5.1.2 Dissemination media and format

###### Hard copy - Quarterly bulletin

Quarterly Bulletin.

###### Hard copy - Other

*National Accounts of Georgia, Statistical Yearbook of Georgia*

###### Electronic - On-line bulletin or data

National Accounts of Georgia, Statistical Yearbook of Georgia, Quarterly Bulletin are available at [www.geostat.ge/index.php?action=wnews\\_archive&lang=eng](http://www.geostat.ge/index.php?action=wnews_archive&lang=eng)

Data: [http://www.geostat.ge/index.php?action=page&p\\_id=116&lang=eng](http://www.geostat.ge/index.php?action=page&p_id=116&lang=eng)

###### Electronic - Other

National accounts data are also available in electronic form on request.

##### 5.1.3 Advance release calendar

An advance release calendar is available on the NSO website at [http://www.geostat.ge/index.php?action=page&p\\_id=23&lang=eng](http://www.geostat.ge/index.php?action=page&p_id=23&lang=eng).

	<p><b>5.1.4 Simultaneous release</b></p> <p>All data are released simultaneously to the public through press releases and publications and on the website of NSG <a href="http://www.geostat.ge/">http://www.geostat.ge/</a></p> <p>Copies of these publications are placed in the library of the NSO, which is open to the public, in the National Library of Georgia. At the same time they are sent to Ministries, other government bodies and non-governmental organizations, also to the embassies and other representations of foreign countries and international organizations in Georgia.</p> <p><b>5.1.5 Dissemination on request</b></p> <p>The following data are available upon request:</p> <ul style="list-style-type: none"> <li>• Labour Productivity (at current and constant 1996 and 2003 prices)</li> <li>• Satellite Accounts of Tourism (at current prices)</li> <li>• Capital Account (at current prices)</li> </ul>
<p><b>5.2 Metadata</b></p>	<p><b>5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques</b></p> <p>A description of the methodology is included in the publications.</p>