

GDP by Expenditure Approach (Quarterly/Annual)

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2. Metadata update	
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3. Statistical presentation	
3.1. Data description	
<p>Methodological basis for the National Accounts of Georgia is a standard methodology – System of National Accounts 2008 (2008 SNA), provided by the International Monetary Fund (IMF), the United Nations (UN), Commission of the European Communities – Eurostat, the Organization for Economic Co-operation and Development (OECD) and the World Bank. One of the most important economic indicators of the system of national accounts is the gross domestic product (GDP) calculated by the expenditure approach.</p>	
3.2. Classification system	
<ul style="list-style-type: none"> • System of National Accounts 2008 (2008 SNA); • Georgian Statistical Classification of Economic Activities (006-2016), (NACE Rev.2); • Statistical Classification of Products by Activity – CPA (2008); • Classification of Individual Consumption by Purpose (COICOP); • Harmonized commodity description and coding System (HS 2012); • Classification of Broad Economic Categories (BEC); • Classification of the Functions of Government (COFOG); • Budget classification of Georgia; • Balance of Payments of Georgia. 	
3.3. Sector coverage	
The total economy by institutional sectors.	
3.4. Statistical concepts and definitions	
<p>Calculation of gross domestic product by expenditure side is based on the calculation of current expenditure by resident units of the economy.</p> <p>Final consumption expenditure:</p> <ul style="list-style-type: none"> • Household final consumption expenditure on consumer goods and services; • Final consumption expenditure of NPISHs. Expenditures on final consumption include the total costs of public organizations (political parties, religious and other organizations); • Expenditures of public authorities on individual consumption expenditure on goods and services are related to services provided to the population in the field of education, health care, culture and etc. • Collective expenditures of public administration are spent not for particular households, but for the whole population or for a particular society. Collective expenditures are related to defense, public administration non-market science related expenses. <p>Gross capital formation:</p> <ul style="list-style-type: none"> • Gross fixed capital formation reflects the total inflow of fixed capital into the economy of a country by acquisition, construction or other sources in order to generate income by using them in production; • Investment in fixed capital is determined by the cost of acquiring or creating new assets (built or purchased), 	

which have not been in exploitation in the economic territory of the country, or costs of fixed assets created for own use, as well as the amount of capital repair costs and expenditures related to substantial land improvement operations;

- **Changes in stocks of tangible assets** is calculated as a difference between balances of stocks of work-in progress, finished goods and goods intended for resale at the end and the beginning of the reporting period;
- **Net acquisition of valuables** (acquisition of valuables minus sale) involves the acquisition of assets by resident institutional entities as a means of retaining value. These include buying and selling precious metals and stones, antiques, fine art, and collections.
- **Net exports** of goods and services are defined as a difference between exports and imports. **Exports and imports** of goods and services include the value of goods exported abroad or imported into the country. In the system of national accounts, exports and imports account for not only exports and imports registered in customs, but also smuggled and unorganized trade in goods, remittances, migrants' property. Exports and imports of services include transport services, tourism, communication, construction, insurance, financial intermediation, computer and information services, advertising, accounting and other services.

Real GDP growth indices reflect real growth rates by main categories of use over the reporting period compared to the previous year.

- **The GDP deflator** is a ratio of GDP in current and constant prices.

3.5. Statistical unit

- Financial and Non-Financial Corporations;
- General government bodies;
- Households;
- Non-profit institutions serving households (NPISH).

3.6. Statistical population

Economic territory of the country.

3.7. Reference area

Georgia (Excluding occupied territories).

3.8. Time coverage

- Data is available from 1996 year;
- Time series based on the National Accounts System 1993 (1993 SNA) methodology is available for 1996-2018 years;
- Time series based on the National Accounts System 2008 (2008 SNA) methodology is available from 2010 year.

3.9. Base period

2019 (only for annual time series).

4. Unit of measure

Million GEL, %.

5. Reference period

Quarter, Year.

6. Institutional mandate

6.1. Legal acts and other agreements

The Law of Georgia on Official Statistics;

<https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf>

Statistical Work Programme (annual);

<https://www.geostat.ge/en/modules/categories/307/statistical-work-programme>

Charter of the National Statistics Office of Georgia.

<https://www.geostat.ge/media/20845/10%2Csaqstatis-konsolidirebuli-debuleba.pdf>

6.2. Data sharing

Memorandums with the Revenue Service of the Ministry of Finance of Georgia and the National Bank of Georgia.

7. Confidentiality

7.1. Confidentiality – policy

1. The Law of Georgia on Official Statistics:

- According to the article 5 of the law Statistical confidentiality and exclusive use for statistical purposes – individual data collected or received by the producer of official statistics, relating to natural or legal persons, must be strictly confidential and used only for statistical purposes.
- According to the article 34 (Observing Confidentiality of Statistical Data) of the law 1. Data collected, processed, and stored to produce official statistics are confidential if they enable the direct or indirect identification of a statistical unit. In addition, aggregated data are subject to statistical confidentiality: a) Aggregates composed of 1 to 3 units, when the unit is a natural or legal person if one of these units could be identified indirectly, thereby disclosing individual data about this unit. Aggregates composed of more than 3 units may be declared confidential by the Executive Director if required to ensure statistical confidentiality; b) Information declares as a state secret on the basis of the „Law of Georgia on State Secrets“. 2. Confidential data shall be used exclusively for the purposes of producing statistics in accordance with this law. 3. Statistical data about the administrative body cannot be considered confidential information, except for the information determined by the Law of Georgia „On State Secrets“. 4. Individual data obtained from publicly available sources, which are defined as public information in accordance with the legislation of Georgia, shall not be considered confidential information. 5. Confidential (individual) data may be published if there is written consent from the statistical unit regarding the publication of such data. 6. It is not allowed to disseminate and distribute confidential data or use it for non-statistical purposes.
- According to the article 38 (Confidentiality commitments) of the law the confidential statistical data collected and processed for statistical purposes shall not be used or disseminated either for personal, academic, research or any other activities, by the employees of the producers of Official Statistics.

<https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf>

2. Data Confidentiality Policy at Geostat

https://www.geostat.ge/media/20860/Data-Confidentiality-Policy-at-Geostat_En.pdf

3. Procedure for providing access to confidential data for research purposes

<https://www.geostat.ge/media/61533/Rule-on-Access-to-Confidential-Data-for-Scientific-and-Research-Purposes....pdf>

4. The Law of Georgia on Personal Data Protection

<https://matsne.gov.ge/en/document/view/1561437?publication=9>

7.2. Confidentiality – data treatment

- Confidentiality guidelines.
- Written undertakings by an employee of Geostat on ensuring confidentiality of gained/collected data as a result of official duties.

8. Release policy

8.1. Release calendar

Data dissemination dates are defined by the calendar developed on the basis of the Statistical Work Programme, which is published on the website of Geostat and is publicly available.

8.2. Release calendar access

<https://www.geostat.ge/en/calendar>

8.3. User access

All users have the equal access to the statistical data simultaneously.

9. Frequency of dissemination

Quarterly, Annual.

10. Accessibility and clarity

10.1. News release

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10.2. Publications

Statistical publication "National Accounts of Georgia" on Georgian and English languages is available on the following link:

<https://www.geostat.ge/en/single-categories/113/gross-domestic-product-of-georgia>

10.3. On-line database

Data "MS. Excel" spreadsheets are available on the Geostat official website in the section "National Accounts" in the

"Gross Domestic Product (GDP)" tab. https://www.geostat.ge/en/modules/categories/23/gross-domestic-product-gdp The data is available as a "PC-Axis" database on the Geostat's official website in the "National Accounts" section of the "PC-Axis" Databases section under the "Gross Domestic Product" tab: https://pc-axis.geostat.ge/PXWeb/pxweb/en/Database/
10.4. Micro-data access
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10.5. Other
National Accounts Portal: https://sna.geostat.ge/en/4/Home
10.6. Documentation on methodology
The methodology documentation is available on the website of Geostat: https://www.geostat.ge/en/modules/categories/119/national-accounts
10.7. Quality documentation
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11. Quality management
11.1. Quality assurance
To ensure the quality of the statistical processes and products Geostat follows Chapter 10 – Quality of official statistics – of the Law of Georgia on Official Statistics, as well as the European Statistics Code of Practice, the UN Fundamental Principles of Official Statistics and Quality Assurance Framework of the European Statistical System (ESS QAF).
11.2. Quality assessment
Methodology and Quality Management Division of Geostat, along with the sectoral departments, is responsible for the quality of the produced statistical products and processes. The Division carries out quality audit, self-assessment of statistical processes and assesses the risks for the quality of statistical processes and products. Geostat has developed policy documents, guidelines and standard routine descriptions. These documents ensure the standardization of statistical processes and products and the establishment of a unified quality assurance system. Quality policy is available on the following link: https://www.geostat.ge/media/44380/QP_Geostat_EN.pdf

12. Relevance
12.1. User needs
Main user groups are government agencies, researchers, educational institutions, international organizations and other users interested in economic development trends of Georgia, economic policy development and forecasting issues.
12.2. User satisfaction
In 2023 user satisfaction survey was conducted, the target of the survey was to analyze the assessment of quality of statistical data by users and explore ways to improve user services. The survey report is available on the website of Geostat (in Georgian): https://www.geostat.ge/ka/page/customer-service
12.3. Completeness
Gross Domestic Product covers accounted as well as non-observed economy using the methods are in line with international standards.

13. Accuracy and reliability
13.1. Overall accuracy
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13.2. Sampling error
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13.3. Non-sampling error
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14. Timeliness and punctuality
14.1. Timeliness

- Preliminary Quarterly GDP data are initially published on the 90th day after the end of the reporting quarter;
- After receiving the annual data of the last year, first and second quarters of the current year are updated along with revision of four quarters of the previous year;
- After receiving annual survey results, quarterly GDP figures are finally revised and published in November of the following year.

14.2. Punctuality

The data is published according to the date specified in the statistical work program. There has not been any violation of publication dates.

15. Coherence and comparability

15.1. Comparability – geographical

The data is collected and processed using the same methodology and definitions at the country and regional level.

15.2. Comparability – over time

Data is collected and processed with the same methodology and definitions throughout the period under consideration.

15.3. Coherence – cross domain

The following data of national accounts of different periodicity and detail are fully consistent with each other: Annual National Accounts, Quarterly National Accounts, Supply and Use tables.

The following main statistical sources are used for compilation of national accounts: business statistics, short-term statistics, and employment statistics. It should be noted that the definitions of the variables used in the sources often differ from the concepts of national accounts, for which additional adjustments are made to harmonize them with national accounts methodology.

15.4. Coherence – internal

The following data of different periodicity and detail of national accounts are fully consistent with each other: Annual National Accounts, Quarterly National Accounts, Supply and Use Tables.

16. Cost and burden

The task is carried out by the staff of national accounts department and does not require additional funding.

17. Data revision

17.1. Data revision – policy

Statistical data revision policy is available on the website of Geostat:

https://www.geostat.ge/media/59824/Data-Revision-Policy-and-Error-Correction-at-Geostat_Eng.pdf

17.2. Data revision – practice

Time series of statistical indicators need revision over time, caused by implementation of a new methodology or significant improvement in data sources. The results of a new survey may significantly differ from the results of the previous period, in this case, new data is preferable, but time series of previous periods need to be adjusted to ensure comparability. Currently GDP data revision is conducted by the following sequence:

- Preliminary quarterly GDP data are initially published on the 90th day after the end of the reporting quarter;
- After receiving the annual data of the last year, first and second quarters of the current year are updated along with revision of four quarters of the previous year;
- After receiving annual survey results, quarterly GDP figures are finally revised and published by the 11th month after the end of the reporting year. Time series were updated due to implementation of the 2008 SNA. Along with transition to the 2008 SNA methodology, Geostat has introduced Statistical classification of economic activities (NACE Rev 2) in the National Accounts. Also, output calculation methodology of certain sectors was specified, which caused necessity of updating the time series. Updated time series according to 2008 SNA, were published in December 2019.

In February 2024, the revision of GDP and national accounts data was carried out (2010-2023). The revision of the historical data series in 2024 was one of the recommendations of the Strategic Assessment of the Statistical System carried out by Eurostat, UNECE and EFTA in order to ensure compliance with the Harmonized European Data Revision Policy (HERP).

18. Statistical processing

18.1. Source data

Data sources are based on the following administrative data and surveys conducted by Geostat: Data obtained from the internal sources of Geostat: <ul style="list-style-type: none"> • Data on the economic activities of non-financial corporations (Statistical Survey of Enterprises, conducted by the Business Statistics Department of Geostat); • Data on economic activity of households and indicators of economic activity of population (Integrated Household Survey and Labor Force survey, conducted by the Social Statistics Department of Geostat); • Consumer Price Index (CPI), Producer Price Index for Industrial Products (PPI), Price Index for Material Inputs to Construction Industries and Producer Price Index for Freight Transport); (Monthly survey of Price Statistics Department); • Imports and Exports of goods (Data provided by the External trade and foreign investments Statistics department of Geostat); • Data on Nonprofit Institutions Serving Households (Survey of Non-Profit Institutions conducted by the Department of Business Statistics). External Data Sources: <ul style="list-style-type: none"> • General Government Operations and State Budget Indicators (Ministry of Finance of Georgia); • Balance of Payments (National Bank of Georgia).
18.2. Frequency of data collection
Monthly, Quarterly, Annual.
18.3. Data collection
Databases of Geostat and data from administrative sources.
18.4. Data validation
In particular cases, the accuracy of data is checked with the data source.
18.5. Data compilation
Data obtained from internal and external sources are processed in a special format needed for the national accounts. The next step is compilation of GDP and other aggregate indicators of national accounts. Expenditure Approach Calculation scheme is as follows: <i>Final consumption expenditure + Gross capital formation + Net exports of goods and services = GDP at market prices.</i> Deflation for indicators of GDP by expenditure approach is done using appropriate price indices for categories of use. Currently, GDP by expenditure approach in constant prices is calculated only for annual figures.
18.6. Adjustment
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19. Comment
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