

Gross Domestic Product by Income Approach (Quarterly/Annual)

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2. Metadata update	
2.1. Metadata last certified	July 10, 2024
2.2. Metadata last posted	July 10, 2024
2.3. Metadata last update	July 10, 2024

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 income approach.</p>	
3.2. Classification system	
<ul style="list-style-type: none"> • System of National Accounts 2008 (2008 SNA); • Georgian National Classification of Economic Activities (006-2016), (NACE Rev.2); • International Standard Classification of Occupations (ISCO88) (2006); • Budget classification of Georgia; • Balance of Payments of Georgia. 	
3.3. Sector coverage	
Total economy including all institutional sectors and types of economic activity.	
3.4. Statistical concepts and definitions	
<p>GDP by income approach is based on a sum of income of those institutional units who are directly involved in the production process of goods and services in a given period.</p> <p>Compensation of employees is defined as remuneration, in cash and/or in kind, payable to employees for work completed during the accounting period. It is recorded on an accrual basis and is formed on the basis of two components:</p> <p>A) Wages and salaries include income taxes and employees' social contributions even if they are actually withheld by the employer and paid directly to tax authorities, social security schemes and pension schemes as well as cash for non-working days (vacations, public holidays, etc.);</p> <p>B) Social benefits;</p> <p>Surplus generated as a result of production activity of unincorporated enterprises owned by households is called „Gross mix-income“, as it reflects remuneration of work conducted by the owner of enterprise and entrepreneurial income as well.</p> <p>Gross (or net) operating surplus of the economy is part of value added which remains with producers after deducting compensation of employees and net taxes on production. The category defines operating surplus before accruing property income.</p> <p>The term „gross“ refers to aggregates including consumption of fixed capital, while the term „net“ indicates an aggregate excluding consumption of fixed capital. Taxes on production and imports are compulsory, unrequited (not made for a consideration) payments, in cash or in kind levied (charged) by a government.</p> <p>Taxes on products comprise value added tax, taxes and duties on imports and exports and other taxes on products. It</p>	

<p>does not include taxes on property, income, social, profit and other taxes, which are subject to the production process itself, regardless of the volume of production.</p> <p>Other taxes on production are related to the use of production factors (labor, land, capital), and license fees, in particular: taxes on land, natural resources, property, environmental, real estate transfer, inheritance and gifting, and others.</p> <p>Subsidies on production and imports – government-issued current, gratuitous benefits granted to industrial entities to pursue certain economic and social policies for the production, export, import or production of goods and services, or regularly issued amounts for losses incurred. when the selling price of manufactured products is below the average cost of production. Subsidies, as well as taxes, are divided into subsidies on products (proportionally charged on volume of production supplied) and on production (fully charged to facilitate the production process).</p> <p>The term „net taxes“ means that taxes are shown excluding the relevant subsidies.</p>
<p>3.5. Statistical unit</p> <ul style="list-style-type: none"> • Financial and Non-Financial Corporations; • General government bodies; • Households; • Non-profit institutions serving households (NPISH).
<p>3.6. Statistical population</p> <p>Economic territory of the country.</p>
<p>3.7. Reference area</p> <p>Georgia (Excluding occupied territories).</p>
<p>3.8. Time coverage</p> <ul style="list-style-type: none"> • Data is available from 1996 year; • Time series based on the National Accounts System 1993 (1993 SNA) methodology are available for 1996-2018 years; • Time series based on the National Accounts System 2008 (2008 SNA) methodology are available from 2010 year.
<p>3.9. Base period</p> <p>-</p>

<p>4. Unit of measure</p> <p>Million GEL, %.</p>

<p>5. Reference period</p> <p>Quarter, Year.</p>

<p>6. Institutional mandate</p>
<p>6.1. Legal acts and other agreements</p> <p>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</p>
<p>6.2. Data sharing</p> <p>Memorandum with the Revenue Service of the Ministry of Finance of Georgia and the National Bank of Georgia.</p>

<p>7. Confidentiality</p>
<p>7.1. Confidentiality – policy</p>
<p>1. The Law of Georgia on Official Statistics:</p> <ul style="list-style-type: none"> • 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 in „MS. Excel“ files are available on the Geostat official website in the section of „National Accounts“ in the tab of „Gross Domestic Product (GDP)“.

<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
<ul style="list-style-type: none"> • Preliminary quarterly GDP data are initially published on the 90th day after the end of the calculating 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, 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:

- Quarterly GDP preliminary data are initially published on the 90th day after the end of the reporting quarter;
- After receiving the annual data of the last year, together with the specification of the four quarters of the same year, the indices of the first and second quarters of the current year are calculated;
- Revised annual GDP data are published in November of the following year.

Time series adjusted for the 2008 SNA transition.

Along with the 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 has caused necessity of updating the time series.

Updated time series according to 2008 SNA were published in November 2019.

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:

- 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);
- Data on Non-profit Institutions Serving Households (Survey of Non-Profit Institutions conducted by the Department of Business Statistics);
- Consumer Price Index (CPI), Industrial Producer Price Index (PPI), Price Index of Materials Purchased for Construction, Import and Export Price (Survey by Price Statistics Department of Geostat).

<p>External Data Sources:</p> <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).
<p>18.2. Frequency of data collection</p>
<p>Quarterly, Annual.</p>
<p>18.3. Data collection</p>
<p>Databases of the Geostat and data from administrative sources.</p>
<p>18.4. Data validation</p>
<p>In sparticular cases, the accuracy of the data is checked with the data source.</p>
<p>18.5. Data compilation</p>
<p>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.</p> <p>Income approach</p> <p>Calculation scheme is as follows:</p> <p>Employment income in the form of wages and social benefits (including Income tax) + Mixed income received from self-employment + Total profit received by companies from economic activities + Taxes on production and import – Subsidies on production and import = Total GDP at market prices</p>
<p>18.6. Adjustment</p>
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<p>19. Comment</p>
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