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**English - Or. English**

**STATISTICS DIRECTORATE  
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**Working Party on National Accounts**

**THE SITUATION OF QUARTERLY NATIONAL ACCOUNTS DATA TRANSMISSION TO THE  
OECD**

**To be held on 10-12 October 2006  
Tour Europe - Paris la Défense  
Beginning at 9:30 a.m. on the first day**

*This document has been prepared by Rachida Dkhissi, OECD - Statistics Directorate*

For further information, please contact:  
Rachida Dkhissi  
E-mail: [rachida.dkhissi@oecd.org](mailto:rachida.dkhissi@oecd.org)

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**English - Or. English**

## THE SITUATION OF QUARTERLY NATIONAL ACCOUNTS DATA TRANSMISSION TO THE OECD

1. The OECD maintains an internal database containing most of the quarterly national accounts produced by OECD Member countries. The QNA database is used by many people in the OECD Secretariat, particularly those in the Economics Department. Not all countries compile a full set of quarterly accounts, and so the content of the database differs from one country to another. It is worth noting that during the past two years the QNA database has become more homogeneous and complete, and this is especially true for European countries. The requirements of internal users of the quarterly national accounts database are: full scope of what is published by the national statistical institute (NSI), accuracy, comparability and timeliness. Therefore, sets of tables of the OECD-Eurostat common questionnaire are supplemented by other data published by NSIs as quickly as possible, usually the day of release.
2. The scope of the database includes: GDP - expenditure and output approaches (current and constant prices), GDP income approach, Saving and net lending, Gross fixed capital formation (current and constant prices) broken down separately by type of asset or product and by institutional sector, Disposable income and Real disposable income components, Population and Employment, Employment by industry, Household final consumption expenditure (current and constant prices) by durability and by purpose, Institutional sector accounts and specific accounts for some countries.
3. For European countries that respond to the ESA 95 questionnaire, data from the Excel or Gesmes files supplied are used to update the QNA database, and for some countries additional data are available from the reported national files or obtained by direct access to national databases. It is recommended that European countries send the tables at the same time to both Eurostat and the OECD ([SNA.Contact@OECD.org](mailto:SNA.Contact@OECD.org)). For non-EU countries, data are either taken directly from national databases or from national files sent to the OECD, no specific questionnaire is used.
4. A homogeneous set of selected series for each country from the QNA database is published in the OECD quarterly national accounts publications. Both electronic and paper versions are released on the same day, at approximately T+120 days. For example, the next paper and electronic versions of the 2006/3 publication will be released on October 31st, 2006. The data will extend up to 2006Q2, except for the United States for which 2006Q3 will be available. In the first week of each month, the electronic publication is updated on OLISnet and SourceOECD.
5. Every morning an extract of the electronic publication is updated in the new OECD data warehouse, OECD.Stat. It gives information on GDP by expenditure at current and constant prices for all OECD Member countries and for some groups of countries. Volume and price indices are also given for GDP and its main expenditure components (Private final consumption expenditure, Government final consumption expenditure, Gross fixed capital formation, Exports of goods and services and Imports of goods and services). Every week a table shows quarterly growth rates for seasonally adjusted GDP at constant prices. Finally, every quarter OECD publishes a news release on quarterly GDP volume growth for the OECD area. All of these products are freely available on the OECD Statistics portal at [www.oecd.org/std/qna/statistics](http://www.oecd.org/std/qna/statistics).

## Data transmission to the OECD

6. Almost all countries announce in advance the release days for their quarterly national accounts. The release calendar is available directly on their national websites and/or on the IMF's Dissemination Standard Bulletin Board (DSBB). Given the requirements of our users, it is recommended that countries should send their data to the OECD as soon as possible on the release day of their QNA. Most countries now do so, except in some cases like Australia, Austria, Greece, Ireland and the United Kingdom. Greece has recently given an undertaking to remedy to this problem. This year has proved to be difficult for some countries, particularly those European countries that are allocating FISIM for the first time and/or introducing chain-linked constant price estimates. A few countries have delayed the release of their data, and/or not published release dates or changed them. Table 1 shows some characteristics of data release and data transmission for OECD Member countries.

**Table 1 - Data release and data transmission**

	First release of Q1 2006 - Number of days after the end of the quarter <sup>1</sup>	Advanced release calendar available on both national website and DSBB <sup>2</sup>	Reception of data on the release day for Q1 and Q2 2006
Australia	68	Yes	No for Q1
Austria	70	Only DSBB	No for Q2 (national file)
Belgium	68	Yes	
Canada	61	Yes	
Czech Republic	70	Yes	Partial delivery for Q1 <sup>3</sup>
Denmark	70	Yes	
Finland	70	Yes	
France	49	Yes	
Germany	53	Yes	
Greece	41	Yes	No for Q1 and Q2
Hungary	70	Yes	
Iceland	74	Yes	
Ireland	104	Yes (NLT <sup>4</sup> )	No for Q1 <sup>5</sup>
Italy	70	Yes	
Japan	49	Yes	
Korea	25	Only DSBB (NLT <sup>4</sup> )	
Luxembourg	108	Yes	
Mexico	47	Yes	
Netherlands	41	Yes	
New Zealand	89	Only national website	
Norway	67	Yes	
Poland	61	Only DSBB	
Portugal	70	Yes	
Slovak Republic	69	Yes	
Spain	54	Yes	
Sweden	67	Yes	
Switzerland	62	Yes	
Turkey	91	Yes	
United Kingdom	55	Yes	No for Q1 (ESA files)
United States	28	Yes	

1. The number of days indicated refers to the complete release of GDP and its components (expenditure or production approach, at constant prices). GDP flash estimates are not taken into account.
2. IMF's Dissemination Standards Bulletin Board.
3. Introduction of the FISIM allocation and chain-linked constant prices estimates.
4. No specific release date, but a date for which the release will not be later than.
5. A specific release date was exceptionally available for Q1.

7. The OECD Secretariat would be grateful if Member countries could insert a brief note appended to the data transmission to signal any important changes, such as a new base/reference year for volume estimates, a major benchmark revision, the inclusion of additional data, or a methodological change such as the allocation of FISIM. It would also be appreciated if national press releases and GDP flash estimates could be sent to [SNA.Contact@OECD.org](mailto:SNA.Contact@OECD.org) as soon as they become available. The OECD will respect the embargo if applicable. Such actions would greatly assist the editing undertaken by OECD staff and also facilitate the incorporation of appropriate metadata in OECD databases and publications.

8. We would like also to remind countries that we store separately datasets corresponding to different methodologies and so when a major methodological change is made (e.g. allocation of FISIM), we would prefer countries to send only data with the new methodology.

### **Introduction of chain-linked constant price estimates and the allocation of FISIM in 2006-2007**

9. By the end of 2007 all EU countries are expected to have introduced two major changes recommended in the 1993 SNA: chain-linked constant price estimates and the allocation of FISIM to its users. Some have scheduled these changes for the second half of 2006 or the first half of 2007.

#### ***Chain linking***

10. Most European countries used to rebase their constant price estimates every five years. These estimates were then linked to provide long, continuous time series. They are now adopting annually re-weighted, chain-linked constant price estimates using the Laspeyres formula. This is equivalent to linking each year constant price estimates expressed in the prices of the previous year. Most OECD countries have chosen to use this method, but there are two major exceptions - the US and Canada - which have chosen to use the Fisher formula. The US estimates are derived using annual weights except at the end of the series where it is not possible to apply the Fisher formula using annual weights for quarterly data. To get over this problem quarterly weights are used to calculate the latest volume estimates. The Canadian chain-linked estimates are derived only for quarterly seasonally adjusted expenditure data, using quarterly weights throughout.

#### ***Three methods to compile chain-linked estimates in QNA***

11. While it is straightforward to chain-link annual data, it is not so straightforward to link quarterly constant price estimates derived using annual weights. Using the Laspeyres formula, for each year the values of the four quarters are expressed in the prices of the previous year. Thus, the difference between the fourth quarter of year t-1 and the first quarter of year t is a combination of the change in volume between the two quarters and the change in the average prices of year t-1 and the average prices of year t. In order to create a chain-linked constant price series it is necessary to adjust the quarterly values to remove the effect of the annual price change. Within the OECD Member countries three different methods have been used: the annual overlap method, the one quarter overlap method and the over-the-year method. The first two methods involve calculating and applying a link factor that is used to remove the effect of the annual price change.

12. Although, the one quarter overlap method was recommended by Eurostat, most EU countries have chosen to use the annual overlap method and in recognition of this fact Eurostat has decided to use also the annual overlap method to derive EU aggregates. Table 2 gives a list of the methods used by Member countries and their plans to change over to chain linking (if scheduled). It has been filled in using information gathered by Eurostat ("*ESA95 transmission programme data availability*", Eurostat C2/CN 601/en, 15-16 May 2006) and information provided by countries to the OECD.

**Table 2 - Chain-linking of QNA: State of play**

	<b>Producing chain-linked estimates</b>	<b>Plans to disseminate chain-linked estimates</b>	<b>Reference/ Base year</b>	<b>Chain linking Method</b>
Australia	Yes		2004-2005 <sup>1</sup>	Quarter overlap
Austria	Yes		2000	Quarter overlap
Belgium	Forthcoming	October 2006	2000 ?	Annual overlap
Canada	Yes-Fisher		1997	Quarter overlap
Czech Republic	Yes		2000	Annual overlap
Denmark	Yes		2000	Quarter overlap
Finland	Yes		2000	Annual overlap
France	?	?	?	Probably annual overlap
Germany	Yes		2000	Annual overlap
Greece	Yes	June 2007 <sup>2</sup>	1995	Indirect method <sup>3</sup> / new method ?
Hungary	Forthcoming	2006	2000 ?	Probably annual overlap
Iceland	Yes		2000	Annual overlap
Ireland	Yes		2004	Annual overlap
Italy	Yes		2000	Annual overlap
Japan	Yes		2000	Quarter overlap
Korea	No	No		
Luxembourg	Yes		2000	Annual overlap
Mexico	No	No		
Netherlands	Yes		2001	Over the year
New Zealand	Yes		1995-96	Annual overlap
Norway	Yes <sup>4</sup>		2003	Annual overlap
Poland	Yes <sup>5</sup>		2000	Annual overlap
Portugal	Yes		2000	Indirect method <sup>3</sup>
Slovak Republic	Forthcoming	2 <sup>nd</sup> half 2006	2000 ?	Over the year
Spain	Yes		2000	Annual overlap
Sweden	Yes		2000	Over the year
Switzerland	Yes		2000	Annual overlap
Turkey	?	?	?	?
United Kingdom	Yes		2003 <sup>1</sup>	Quarter overlap
United States	Yes-Fisher		2000	Quarter overlap

1. The reference year is updated each year.
2. Planned date to disseminate direct chain-linked data.
3. QNA are derived from chain-linked annual accounts using an indirect method.
4. Quarterly estimates are not annually rebased, but are benchmarked to annually chain-linked data.
5. Poland reports quarterly data at previous year prices and the OECD Secretariat applies the annual overlap method to calculate chain-linked estimates.

13. The advantage of the annual overlap method is that it ensures consistency with annual constant price estimates since it uses the same link factors. The disadvantage is that the growth rate from the latest quarter to which the annual link factor is applied to the next quarter is 'damaged' by the linking process. The extent of the damage is determined by the difference between the one quarter link factor and the annual link factor. In cases where price or volume relativities are stable the difference is small, but if neither are stable then the damage to the quarterly growth rate at the link quarter can be significant.

***Difficulties caused by chain-linking for OECD economic analysis and forecasting***

14. One of the major outputs of the OECD Secretariat is its economic assessments of countries and forecasts of their future economic growth. In doing this, it is important that the figures used correspond to those published by countries. The contribution to GDP growth of changes in inventories and net exports are two of the important statistics used, but many countries are not supplying these data. To share information on best practices for compilation and presentation of growth contributions, a joint OECD-Eurostat questionnaire has been sent earlier this year to Member countries. The results are presented in the paper “*Calculation of contributions to growth*”, item 21 of the agenda. In the meantime, the OECD asks countries to supply the contributions to GDP growth of these two aggregates in files sent with every update or to make them available for downloading in their databases or on their web page.

***Allocation of FISIM (Financial intermediation services indirectly measured) to industries/sectors.***

15. Several non-European countries have been allocating FISIM to all sectors for many years: Australia, Canada, Korea, and the United States. Over the past two years, most European countries have implemented it in their quarterly accounts and the remaining countries plan to do so by next year except Turkey for which no date is planned. Table 3 lists those countries that have allocated FISIM and those that are planning to do so.

**Table 3 - Allocation of FISIM**

	<b>Allocation of FISIM</b>	<b>Plans to introduce FISIM</b>
Australia	Yes	
Austria	Yes	
Belgium	Yes	
Canada	Yes	
Czech Republic	Yes	
Denmark	Yes	
Finland	Yes	
France	Yes	
Germany	Yes	
Greece	Yes	
Hungary	Yes	
Iceland	Yes	
Ireland	Yes	
Italy	Yes	
Japan	No <sup>1</sup>	2010
Korea	Yes	
Luxembourg	Yes	
Mexico	No	?
Netherlands	Yes	
New Zealand	No	?
Norway	Forthcoming	December 2006
Poland	Yes	
Portugal	Yes	
Slovak Republic	Yes	
Spain	Yes	
Sweden	Yes	
Switzerland	Forthcoming	Beginning 2007
Turkey	No	?
United Kingdom	Forthcoming	2007
United States	Yes	

1. Japan is compiling alternative accounts including the allocation of FISIM, but they are not used by the OECD as it is not yet the headline Japanese national accounts.

**Quarterly Sector Accounts**

16. Eurostat Regulation 1161/2005 on the compilation of quarterly non-financial accounts by institutional sector entered into force in August 2005. The sector accounts follow the methodology of the ESA 95. They will provide a comprehensive overview of the euro area/EU25 as a single economy and will allow for a wide-ranging analysis of the interactions among the institutional sectors.

17. At the end of June 2006, Eurostat undertook an assessment of the two first transmissions of quarterly sector accounts by its Member States. All in all, Eurostat considers the data situation as “satisfactory”. Table 4 below gives the state of play of the second data transmission due on April 2006. Some derogations have been granted to some countries. Eurostat plans to publish quarterly sector accounts for the euro area and EU25 from the spring of 2007.

**Table 4 - Transmission of Quarterly European Sector Accounts to Eurostat**

	<b>April 2006 transmission</b>
Austria	Complete
Belgium	Complete
Czech Republic	Full derogation until 1st January 2008
Denmark	Full derogation until 1st April 2008
Finland	Full derogation until 1st April 2008
France	Complete
Germany	Complete
Greece	Full derogation until 11 August 2008
Hungary	No transmission
Ireland	Partial
Italy	Partial
Luxembourg	No transmission
Netherlands	Complete
Poland	Partial
Portugal	Complete
Slovak Republic	Partial although derogation until 1st January 2008
Spain	Partial
Sweden	Partial
United Kingdom	Complete

Source: Eurostat, “*State of play on quarterly European sector accounts*” (CMFB 06/06/A.6.3).

18. Regarding non EU countries, Table 5 below gives a state of play of the availability of quarterly sector accounts.

**Table 5 – Availability of quarterly institutional sector accounts in other OECD countries**

	<b>Availability</b>
Australia	Yes
Canada	Yes
Iceland	No
Japan	No
Korea	No
Mexico	No
New Zealand	No
Norway	Yes
Switzerland	No
Turkey	No
United States	Yes

## **Conclusion**

- Member countries are reminded that the principle governing the transmission of data is:

*transmit data to OECD (and Eurostat) as quickly as possible on the day of release by the NSI.*

- As delegates may have noted, some information is missing in the tables in this paper. It would be useful if the following countries could remedy this:
  - Chain linking: Could France, Korea, Mexico and Turkey indicate if and when they expect to introduce quarterly chain-linked data? Could those EU countries that have not yet adopted chain linking either amend or confirm the planned date in table 2? In addition, could those EU countries for which there are question marks in table 2, please provide the missing information?
  - Allocation of FISIM: Could Mexico, New Zealand and Turkey indicate if and when they expect to allocate FISIM? Could those countries that have not yet allocated FISIM either amend or confirm the planned date in table 3?