

# **Quality report 2009**

## **Slovak Republic**

### **Part 1: General information**

#### **1.1 Major changes and improvements to sources and methods of national accounts.**

The Statistical Office of the Slovak Republic (SO SR) in comparison with previous GNI Questionnaire 2008 has carried out some improvements in the implementation of rules of the national accounts system. These improvements are related to reclassification of private health insurance companies from the institutional sector of general government (S.13) into the institutional sector of financial corporations (S.12), change in recording of charges related to car registration and charges related to waste, changes in recording of intermediate-consumption in sector S.12.

As regards sources and methods of national accounts compilation, GDP compiled in 2006, 2007 was adjusted on the basis of new and more precise data, and GDP in 2008 is still preliminary.

#### **1.2. Changes in the revisions policy and the timetable for finalising the estimates; (domestic) publication date of the submitted numbers**

There is no change in the revision policy and the timetable for finalising the estimates. Revision policy for national accounts is published on our website. The (domestic) publication date of the submitted numbers is the same as for EDP tables.

#### **1.3. Results of any investigations on the quality of GNI and its components**

On the basis of the Statistical Office estimate, compensation of employees (D.1) received from RoW reached in 2008 the amount 53 756 mill. SKK. After years of permanent increase of numbers of workers abroad we registered decrease of their number. While in the beginning of year 2008 we could see increase of number of workers abroad, for the rest of the year we registered decrease, which was probably result of world economic crisis in states in which workers were employed. Similar scenario – stagnation or decrease will probably continue in

next periods (2009, 2010). Confirmation of this expectation can be seen in data from beginning of the year 2009, where there was another annual decrease in numbers of workers abroad.

Taxes on production and imports paid to the EU institutions (D.2), which are covered by payments of own resources and by payments of VAT, have increased in 2008 on 7 025 mill. SKK, and consist of 2 340 mill. SKK as VAT taxes, of 4 404 mill. SKK as import duties (from which 25 % are in exports of services) and of 281 mill. SKK as taxes on imports excluding VAT and import duties (from which 25 % are included in exports of services).

In the year 2008, the claim to EU institutions related to subsidies on agriculture production represents the amount 1 160 mill. SKK and is included under code D.3 as it is in *X. Government and the EU institutions: grants from the EU commission draft* described.

Data related to D.4 for years 2007 and 2008 are preliminary estimates, which will be updated after obtaining final results from National Bank of Slovakia.

In this GNI questionnaire FISIM is allocated.

Regarding an overall impact of FISIM on GNI in previous years, it was not changed and reached following amounts: 14 079 mill. SKK in 2002), 14 244 mill. SKK in 2003, 21 209 mill. SKK in 2004, 22 261 mill. SKK in 2005, 23 739 mill. SKK in 2006 and 25 279 mill. SKK in 2007. FISIM calculated for the year of 2008 has influenced GNI in the amount of 24 196 mill. SKK.

#### 1.4. Description of developments in major sources

As regards exhaustiveness of main data sources for the sector of non-financial corporations we have to remark, that the response rate for group of enterprises with number of employees 20 slightly decreased in comparison with previous year (from 94,7% to 94,9%), but still keep quite good level. In the group of enterprises employing less than 20 employees response rate has increased, from 49,2 % in year 2007 to 51,0 % in year 2008. Response rate of financial companies in

comparison with previous year increased and response rate of insurance companies on contrary slightly decreased. We can also state that as in previous year there was again 100% questionnaire response rate for financial corporations dealing with financial intermediation, insurance and pension funding.

## **Part 2: Changes to sources and methods to final estimates**

In the whole time series 1995-2006 were made adjustments related to methodological change in the classification of private health insurance companies from sector S.13 into sector S.12 according to Eurostat recommendation (reclassification was related only to non-public resources administered by private health insurance companies). In the consistency with Eurostat recommendation related to GNI control visit changes were also carried out in the recording of charges related to the waste and charges related to the car registration. Charges related to the waste were in sector S.13 recorded under item D.29, but in accordance with final recommendation of GNI control visit these charges were reclassified in sector S.13 under item P.11. This change had also impact on adjustment of FCH, items D.29REC and D.29PAY in individual institutional sectors. Another change was carried out in the recording of charges related to the car registration. Before these charges were recorded under items D.29 and D.59, after change these charges were recorded under item D.214 with consequential adjustments. In time series there was also adjustment of intermediate-consumption P.2 of the sector S.12 and relevant adjustment of production P.1 of rest of sectors. This adjustment was due to undervalued intermediate-consumption reported by reporting units, where there were not correctly recorded charges related to consumption of material, energy and services. This reality was revealed by control of statements related to insurance with subsequent contacts with reporting units, which revealed undervaluation also in previous years.

## **Part 3: Revisions to years t-2,t-3,t-4,t-5 and t-6**

### **Revision of annual national accounts**

The Statistical Office of the Slovak Republic (SO SR) adjusted national accounts data in the whole time series 1995-2007 due to the reclassification of private health insurance companies from sector S.13 into sector S.12. There was also mentioned change in recording of charges related to waste and car registration.

These adjustments had impact on value of GDP in mentioned years. Adjustment of intermediate-consumption of sector S.12 and subsequent adjustment of production of other sectors had no impact on GDP. In years 2004, 2005 and 2007 were revised subsidies received from EU Institutions due to more precise data, which had impact on GNI. Years 2006 and 2007 were also revised due to new and more precise data.

**In 2002**, impact of reclassification of private health insurance companies on data for production was in the amount -400 mill. SKK, impact of change in recording of charges related to waste on data for intermediate-consumption was in the amount 788 mill. SKK, impact of change in recording of charges related to car registration on data for intermediate-consumption was in the amount 70 mill. SKK and impact on data for taxes on products was in the amount 131 mill. SKK. The overall impact on GDP was -1 127 mill. SKK.

**In 2003**, impact of reclassification of private health insurance companies on data for production was in the amount 704 mill. SKK and impact on data for intermediate-consumption was in amount 577 mill. SKK, impact of change in recording of charges related to waste on data for intermediate-consumption was in the amount 924 mill. SKK. Impact of change in recording of charges related to car registration on data for intermediate-consumption was in the amount 76 mill. SKK and impact on data for taxes on products was in the amount 135 mill. SKK. The overall impact on GDP was -738 mill. SKK.

**In 2004**, impact of reclassification of private health insurance companies on data for production was in the amount -1 164 mill. SKK and impact on data for intermediate-consumption was in amount 373 mill. SKK, impact of change in recording of charges related to waste on data for intermediate-consumption was in the amount 1 025 mill. SKK. Impact of change in recording of charges related to car registration on data for intermediate-consumption was in the amount 82 mill. SKK and impact on data for taxes on products was in the amount 135 mill. SKK. The overall impact on GDP was -2 509 mill. SKK. In year 2004 were revised subsidies received from EU Institutions with the impact on GNI in the amount -129 mill. SKK.

**In 2005**, impact of reclassification of private health insurance companies on data for production was in the amount 586 mill. SKK and impact on data for intermediate-consumption was in amount 632 mill. SKK, impact of change in recording of charges related to waste on data for intermediate-consumption was in the amount 1 069 mill. SKK. Impact of change in recording of charges related to car registration on data for intermediate-consumption was in the amount 91 mill. SKK and impact on data for taxes on products was in the amount 143 mill. SKK. The overall impact on GDP was -1 062 mill. SKK. In year 2004 were revised subsidies received from EU Institutions with the impact on GNI in the amount -437 mill. SKK.

**In 2006**, impact of reclassification of private health insurance companies on data for production was in the amount -1 897 mill. SKK, impact of change in recording of charges related to waste on data for intermediate-consumption was in the amount 1 129 mill. SKK. Impact of change in recording of charges related to car registration on data for intermediate-consumption was in the amount 92 mill. SKK and impact on data for taxes on products was in the amount 157 mill. SKK. The overall impact on GDP was -1 096 mill. SKK.

Property income (D.4) has changed in 2006 on the basis of new data obtained from National Bank of Slovakia due to regular data revision of related data. Figures are shown in the following table:

Code	Item	Uses	Resources
		2006	2006
D.41	Interests	-443	-1 039
D.421	Dividends	-212	7 681
D.43	Reinvested earnings from FDI	3 587	7 901
	<b>Change of D.4 total</b>	<b>2 932</b>	<b>14 543</b>

**In 2007**, overall impact of revision changes on GDP was in amount 1 386 mill. SKK. Impact of reclassification of private health insurance companies on data for production was in the amount -1 215 mill. SKK, impact of change in recording of charges related to waste on data for intermediate-consumption was in the amount

