



## PRESS RELEASE

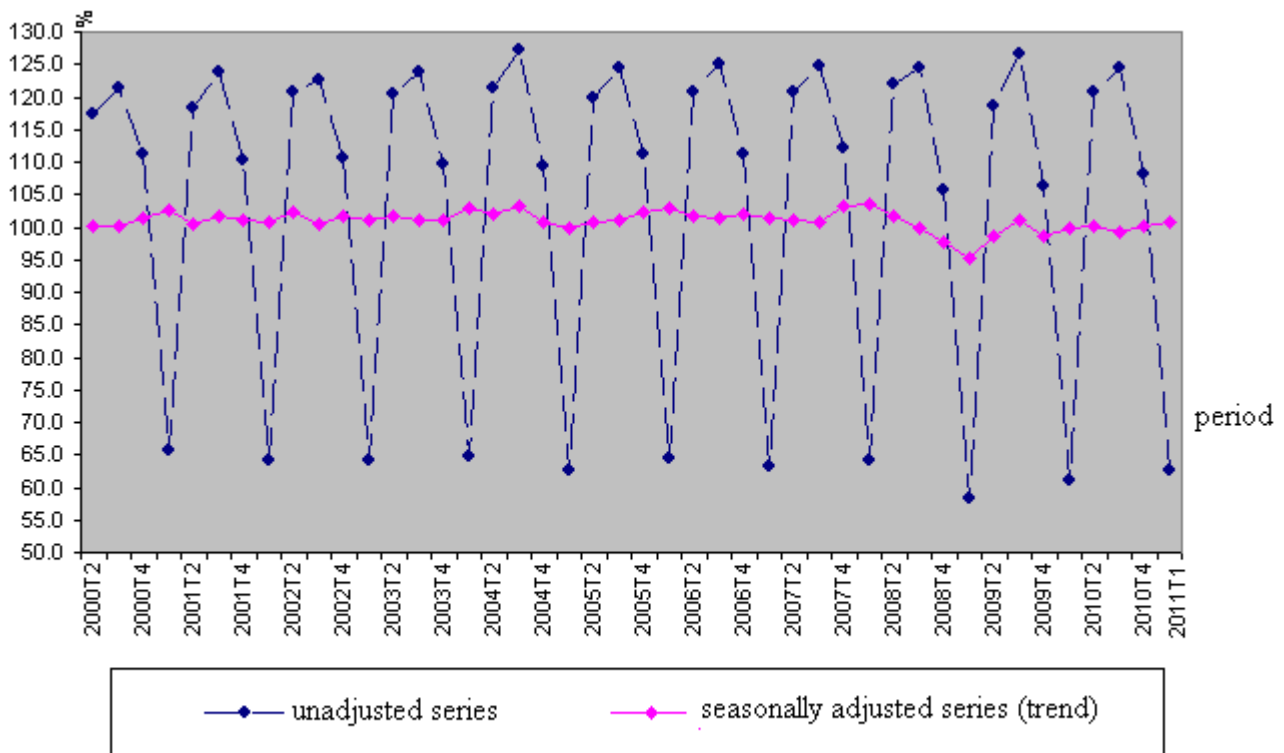
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### Gross Domestic Product in the first quarter of 2011

#### Seasonally adjusted series

Gross Domestic Product – seasonally adjusted data - estimated for the first quarter of 2011 was 135035.4 million lei current prices, increasing – in real terms – by 0.7% against the fourth quarter of 2010.

#### GDP - % against previous quarter



## **Unadjusted series**

**Gross Domestic Product estimated for the first quarter of 2011** was 106723.5 million lei current prices, increasing – in real terms – with 1.7% against the first quarter of 2010.

Industry was activity branch which registered the highest growth of activity volume, with 10.1%, followed by trade, repair of cars and housing articles; hotels and restaurants; transport and telecommunications with 1.1%.

More important falls of activity volume were registered in other activities of services (-6.1%), financial activities, real estate, renting and services for enterprises (-3.2%) and construction (-2.4%). A lower fall was registered in agriculture, hunting and forestry, fishing and fish breeding (-0.4%). As a result of positive evolution of gross value added per total economy, it was increased the volume of taxes per product collected to the state budget, net taxes per product registering a growth of 1.3%.

From the viewpoint of using the Gross Domestic Product, in the first quarter of 2011 domestic demand decreased with 0.5 percentages, compared to the same quarter of 2010, as a result of reduction both of gross capital formation (-2.2%) and of total final consumption (-3.0%), the last one being influenced, especially by significant diminish of expenditure for final consumption of public administration (-10.5%).

A positive effect over GDP had improvement of net export as a result of higher increase in exports of goods and services (+23.6%) compared to that of imports (+15.4%).

## **Methodological notes**

Quarterly Gross Domestic Product at market price (QGDP), the main macroeconomic aggregate of national accounting, represents final result of production activity of resident productive units, during one period, respectively one quarter. Quarterly Gross Domestic Product at market price is estimated by two methods:

### **a) production method:**

$$QGDP = GVA + TP - SP,$$

where:

GVA = gross value added at base price;

TP = taxes on product;

SP = subsidies on product.

### **b) expenditure method:**

$$QGDP = FC + GCF + E - I,$$

where:

FC = actual final consumption;

GCF = gross capital formation;

E = export of goods and services;

I = import of goods and services

The main data sources used to estimate the quarterly Gross Domestic Product:

- **statistical sources:** infra-annual surveys on industrial production, construction, services, trade; agriculture production account; infra-annual surveys on earning and number of employees;
- **financial-accounting sources:** accounting balance sheets of financial institutions;
- **administrative sources:** execution of state budget and of local budgets, as well as of state social insurance budgets, balance of payments.

Quarterly Gross Domestic Product is estimated in current prices, in prices of the period corresponding to the previous year and in average prices of 2000. Estimations in average prices of 2000 are calculated chaining the volume indices.

Besides gross estimations of quarterly Gross Domestic Product, since 2009, there are also calculated seasonally adjusted estimations by regressive method, this method being recommended by European regulations.

Seasonal adjustment aims at eliminating the seasonal effects from data series to point out real economic evolution from successive periods \*).

In order to adjust the series of main aggregates based on which it is estimated GDP by production method and expenditure method, it is used DEMETRA package of programs (TRAMO/SEATS method). It estimates the seasonal effect (events taking place at the same moment, with the same magnitude and direction each year, such as: seasons, holidays, etc., number of working days different from one month to another and calendar effect (orthodox Easter, bissextile year and other national holidays) as well as identification and correction of extreme values (occasional, transitory or permanent level changes) and interpolation of missing values.

Quarterly national accounts in Romania generally present a strong seasonality, working days and calendar having insignificant effect. That is why it is not necessary to apply adjustment methods for these two components.

Seasonally adjusted series was obtained eliminating the seasonal effect from the gross series, by means of some correction coefficients, set up in keeping with the regression model used (additive or multiplicative). Additive or multiplicative model used for the regression is automatically identified by Demetra program according to the nature of series submitted to adjustment.

Seasonally adjusted GDP is obtained by direct method, leading to the apparition of a statistical discrepancy between GDP and amount of its independently seasonally adjusted components.

Regression methods used for each series are set up at the beginning of each year and involves the recalculation of adjusted series calculated in the previous year (due to the change of adopted models, number of regressors used and number of available observations).

Regular revision of gross data series in national accounts also involves the revision of seasonally adjusted series.

Data on quarterly GDP – unadjusted and seasonally adjusted series – for Q1 2000 – Q1 2011 period are issued on the INS site: [www.insse.ro](http://www.insse.ro).

***Gross Domestic Product for Q II 2011 – “flash” estimations will be issued by press release, according to the calendar on the INS site, on August 16, 2011.***

***Comparative data with the other Member States of European Union could be obtained from Eurostat Press release which is to be issued on June 8, 2011 and which could be consulted at the address: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>.***

\*) GDP – seasonally adjusted series, is used in the comparison of reference quarter with the previous quarter, while GDP – unadjusted series is mostly used in the comparison with the corresponding period of the previous year. At the same time, according to Eurostat, input/output from/in economic recession is appreciated in keeping with GDP evolution – seasonally adjusted series, based on fall or growth registered in two successive quarters.

**GROSS DOMESTIC PRODUCT BY CATEGORIES OF RESOURCES AND USES  
IN THE FIRST QUARTER OF 2011**

- unadjusted series -

	Achievement – million lei current prices -	Volume indices - in % against Q I 2010 -	Price indices - in % against Q I 2010 -
Agriculture, forestry and fish breeding	2229,2	99,6	103,9
Industry	32090,5	110,1	110,0
Construction	5984,8	97,6	106,1
Trade; repair of cars and housing articles; hotels and restaurants; transport and telecommunications	25666,8	101,1	107,8
Financial activities, real estate, renting and services for enterprises	16729,1	96,8	104,5
Other activities of services <sup>1)</sup>	9863,0	93,9	85,8
Gross value added – total	92563,4	101,7	104,9
Net taxes on product <sup>2)</sup>	14160,1	101,3	133,1
<b>Gross Domestic Product</b>	<b>106723,5</b>	<b>101,7</b>	<b>107,9</b>
Actual final consumption	86919,4	97,0	104,2
Actual individual final consumption of population households <sup>3)</sup>	79473,7	98,3	104,8
Expenditure for final consumption of population households	68846,4	99,4	106,4
Expenditure for final consumption of non-lucrative institutions in the service of population households	879,8	95,4	106,8
Expenditure for individual final consumption of public administration	9747,5	92,2	94,2
Actual collective final consumption of public administration <sup>4)</sup>	7445,7	86,0	98,4
Gross capital formation	23002,4	111,5	116,8
of which:			
Gross fixed capital formation	18101,5	97,8	106,3
Net export of goods and services	-3198,3	-	-
Export of goods and services	52842,4	123,6	111,9
Import of goods and services	56040,7	115,4	108,9

Note: revised data

- 1) include activity of public administration and defense, education, health and social assistance and other services rendered to the population.
- 2) represent the difference between taxes on product to the state budget (VAT, excise duties, other taxes and subsidies on product paid from state budget.
- 3) contain: expenses of population households to purchase goods and services in order to meet the needs of their members, expenditure for individual consumption of public administration (education, health, social security, and social actions, culture,

- sport, recreation activities, collection of housing waste) and expenditure for individual consumption of non-lucrative institutions in the service of population households (religious organizations, trade unions, political parties, unions, foundations, cultural and sport associations)
- 4) Contain expenditure for collective consumption of public administration (general public services, national defense and territory security), public order and security, legislative and regulation activities, R&D, etc.).

## GROSS DOMESTIC PRODUCT BY CATEGORIES OF RESOURCES AND USES IN THE FIRST QUARTER OF 2011

- seasonally adjusted series -

	Achievement – million lei current prices -	Volume indices - in % against Q I IV 2010 -	Price indices - in % against Q 2010 -
Agriculture, forestry and fish breeding	8004,6	95,9	109,6
Industry	38199,4	103,0	102,8
Construction	11263,1	99,8	100,8
Trade; repair of cars and housing articles; hotels and restaurants; transport and telecommunications	28026,4	100,8	101,9
Financial activities, real estate, renting and services for enterprises	18199,6	99,1	100,7
Other activities of services <sup>1)</sup>	14825,9	99,4	95,1
Gross value added – total	118519,0	100,5	101,6
Net taxes on product <sup>2)</sup>	16316,7	101,5	106,5
	199,7	-	-
<b>Gross Domestic Product</b>	<b>135035,4</b>	<b>100,7</b>	<b>104,4</b>
Actual final consumption	101077,9	99,2	99,9
Actual individual final consumption of population households <sup>3)</sup>	92960,0	99,5	100,0
Expenditure for final consumption of population households	80463,0	99,5	100,2
Expenditure for final consumption of non-lucrative institutions in the service of population households	1615,0	101,5	98,9
Expenditure for individual final consumption of public administration	10882,0	99,4	98,5
Actual collective final consumption of public administration <sup>4)</sup>	8117,9	93,8	102,0
Gross capital formation	36482,8	168,8	59,7
of which:			
Gross fixed capital formation	29546,4	98,0	101,6
Net export of goods and services	-5992,1	-	-
Export of goods and services	54243,7	110,6	96,0
Import of goods and services	60235,8	107,3	102,3
	3466,8	-	-

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- 3) contain: expenses of population households to purchase goods and services in order to meet the needs of their members, expenditure for individual consumption of public administration (education, health, social security, and social actions, culture, sport, recreation activities, collection of housing waste) and expenditure for individual consumption of non-lucrative institutions in the service of population households (religious organizations, trade unions, political parties, unions, foundations, cultural and sport associations)
- 4) Contain expenditure for collective consumption of public administration (general public services, national defense and territory security), public order and security, legislative and regulation activities, R&D, etc.).