



PRESS RELEASE

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Gross Domestic Product in quarter II 2010

– “flash” estimates –

For the interpretation of results, please see the methodological explanations.

According to the first estimates, the Gross Domestic Product in quarter II 2010 was up 0.3% – in real terms – from quarter I 2010 (seasonally adjusted data). As compared to the same quarter of 2009, the Gross Domestic Product dropped 0.5% as gross series and 0.6% as seasonally adjusted series.

In semester I 2010, the Gross Domestic Product was down 1.5% from semester I 2009, both as gross series and as seasonally adjusted series.

Methodological explanations

In recent years, the need to compile credible and timely national accounts has become increasingly important. User requests can no longer be met by the available short-term indicators as these indicators lack the homogeneity and consistency of a system of quarterly national accounts. This led to the need for a quick system of preliminary “flash” estimates of the Quarterly Gross Domestic Product in order to have a timely and coherent picture of the evolution of the economy.

The “flash” estimates of the Quarterly Gross Domestic Product possess the following characteristics:

- they provide a timely picture of the evolution of the economy;
- they are in accordance with the concepts of national accounting;
- they are produced and published as soon as possible after the end of the reference quarter;
- they are based on an incomplete set of information as compared to provisional quarterly national accounts.

The differences between the “flash” estimates and the provisional estimates of the Gross Domestic Product can be defined in terms of the following aspects:

- **Timeliness:** “flash” estimates are available sooner than the provisional ones (40-45 days).
- **Accuracy:** a trade-off is made between timeliness and accuracy. “Flash” estimates, in general, are less accurate than the provisional ones, but the aim is to reduce the loss of accuracy to the lowest degree possible.
- **Coverage:** the number of variables covered by “flash” estimates is limited.
- **Available information:** “flash” estimates are based on a limited set of data. Some information provided by statistical surveys or administrative sources is often not available.
- **Estimation method:** depending on the available data sources, the direct method (the use of existing data and of estimates for the ones that are not available) or the indirect method (the use of regression techniques) can be employed.

The “flash” estimates of the Quarterly Gross Domestic Product in Romanian national accounts are made by applying the direct method due to the existence of infra-annual data sources, particularly the statistical surveys that provide information which allows estimating the Quarterly Gross Domestic Product (QGDP) at market prices through the **production method**, according to the formula:

$$\mathbf{QGDP = GVA + TP - SP}$$

where:

GVA = gross value added at basic prices;

TP = taxes on products;

SP = subsidies on products.

Beside the gross estimates of the Quarterly Gross Domestic Product, seasonally adjusted estimates are also calculated, using the regressive method, a method recommended by European regulations.

Seasonal adjustment is aimed at removing the seasonal effects from the data series in order to show the real economic evolution during consecutive periods.

The Gross Domestic Product for quarter II 2010 (provisional data) will be published in a press release, according to the calendar on the NIS website, on September 1, 2010.

Data comparable with those of the other EU Member States can be obtained from the Eurostat press release which comes out on August 13, 2010 and which can be consulted at the following address: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>.