



## NATIONAL INSTITUTE OF STATISTICS

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### ***PRESS RELEASE***

**No. 103 of May 12, 2010**

#### **Gross Domestic Product in the first quarter of 2010 – “flash” estimations –**

To interpret the results, kindly see the methodological notes

**According to the first estimations, Gross Domestic Product in the first quarter of 2010 was, in real terms, by 0.3% lower than in the fourth quarter of 2009 (seasonally adjusted data). In comparison with the same quarter of 2009, Gross Domestic Product registered a fall by 2.6% (unadjusted series) and by 2.5% (seasonally adjusted series).**

#### Methodological notes

In the last years, the need to elaborate credible and operative national accounts has become more and more important. The users requirements cannot be met by short term available indicators because they have not the homogeneity and consistency of a system of quarterly national accounts. This led to the necessity to dispose a rapid system of “flash” preliminary estimations regarding the quarterly Gross Domestic Product to have a timely and consistent image of economic evolution.

“Flash” estimations of quarterly Gross Domestic Product have the following characteristics:

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

Differences between “flash” estimations and provisional estimations of Gross Domestic Product can be defined in keeping with the following aspects:

- Timeliness: “flash” estimations are available earlier than provisional ones (40-45 days).

- Accuracy: it is a compromise between timeliness and accuracy. “Flash” estimations are generally less precise than provisional ones but the objective is the loss in precision to be reduced to the lowest level.
- Coverage: number of variables covered by “flash” estimations is limited.
- Available information: “flash” estimations rely on a limited data set. Often some information provided by the statistical surveys or administrative sources are not available.
- Estimation method: according to the sources of available data, the direct method can be used (using existent data and estimations for those which are not available) or indirect method (using regression techniques).

“Flash” estimations of quarterly Gross Domestic Product in Romanian national accounts are compiled applying the direct method taking into account the existence of infra annual data sources, especially of statistical surveys providing information which allow to estimate the quarterly Gross Domestic Product (QGDP) at market price by means of **production method**, in keeping with the relation:

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

where:

GVA = gross value added at basic price;

TP = taxes on product;

SP = subsidies on product.

Besides gross estimations of quarterly Gross Domestic Product, there are also calculated seasonally adjusted estimations, using the regressive method, method recommended by European regulations.

Seasonal adjustment aims at eliminating seasonal effects from data series to point out real economic evolution of successive periods.

*Gross Domestic Product for the first quarter of 2010, provisional data, will be issued in the press release, according to the calendar on the INS site, on June 3, 2010.*

*Comparative data with the other Member States of European Union can be obtained from EUROSTAT press release which is to be issued on May 12, 2010 and which can be consulted at the address: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>.*