

Quality report 2017

Slovak Republic

Part 1: General information

1.0: Summary of the main changes in each country's data and methods compared to the 2016 GNI transmission

Compared to the GNI Questionnaire 2016 the Slovak GNI estimate was not influenced by the revisions related to GNI reservations due to the fact that all GNI reservations were lifted by the Commission (official letter BUDG B4/LP/Ares(2015) dated on 22/12/2015, Ref. Ares(2015) 5992543).

Compared to the GNI Questionnaire 2016, the Slovak GNI estimate was adjusted due to the revisions caused by the changes in methods and sources, revised figures related to ESA2010 implementation within the action points (hereinafter AP) A2, A4 resulting from the GNI information visit in July 2017) and routine (current) revisions. The overall impact is shown in the Table 2.

Table 2
Revisions to Slovakia's GNI (ESA95 based) for 2010-2013 and Slovakia's GNI (ESA 2010 based) for 2014 and 2015
(As percentage of GNI (ESA95 based) from the 2016 Questionnaire)

	2010	2011	2012	2013	2014	2015
Total revision to GNI	0.3	0.3	0.4	0.5	0.7	0.1
'of which':						
Total revision caused by GNI reservations	0.0	0.0	0.0	0.0	0.0	0.0
Total revision caused by changes in methods and sources (excl. ESA2010 implementation)	0.3	0.3	0.4	0.5	0.2	0.4
Total revision caused by routine (current) revisions	0.0	0.0	0.0	0.0	0.5	-0.3

Revision due to changes in sources and methods was carried out for calculation of output and intermediate consumption of small enterprises (annual sample survey) for

years 2014 and 2015. The rationale of this revision lies in changing of the way of grossing ups performed by our colleagues from the Directorate of Methodology and Registers, using the administrative data source as the basis for grossing up to the whole population of enterprises with less than 20 employees.

Routine (current) revisions were carried out due to availability of additional information from both, the statistical and administrative data sources. For 2014, the new BoP data for export and import of services, as well as revised data for dividends and reinvested earnings obtained from the National Bank of Slovakia, were incorporated. Based on the preliminary information from colleagues of National Bank of Slovakia, the dividends were adjusted also in the year 2015.

Following the GNI information visit in July 2017, the influence of changes or adjustments related to ESA 2010 implementation was checked in particular for the item (3) Non-life insurance - Output, claims due to catastrophes, and reinsurance, and item (6) Government, public and private sector classification. The detailed information altogether with quantification of the impact on GNI for years 2010-2013 is provided in part 2 of 2017 Quality report.

Table 3, given below, provides the total impact of the implementation of ESA2010 methodology on the GNI estimates after verification of this issue within the work on AP A2 and A4.

Table 3
Total impact of ESA2010 Implementation on Slovakia's GNI (ESA95 based) for 2010-2013
(As percentage of GNI (ESA95 based) from the 2017 Questionnaire)

	2010	2011	2012	2013
Total impact of ESA2010 implementation	2.2	1.9	1.8	1.8

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 the previous GNI Questionnaire 2016 had carried out routine (current) revision due to the updated information for the years 2014 and 2015. The most important impact on GNI in 2014 and 2015 was caused by incorporation of the new information from BoP statistics and more precise data from both, statistical and administrative data source (including the new way of grossing up for data on small companies) related to all sectors. The data for GDP in 2016 is still preliminary.

1.2 Changes in the revision policy and 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 in line with the valid timetable for publishing of data of SO SR. Data will be published on the website of the SOSR as of 23 October 2017.

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

In 2016, the number of working non-residents in Slovakia slightly decreased as compared to 2015. Based on current information taken from UPSVaR (Central Office of Labour, Social Affairs and Family) for the first two quarters of 2017, we expect a slow increase in the number of working non-residents in Slovakia. On the basis of the Statistical Office's estimate, compensation of employees (D.1) paid to the RoW amounted in 2016 to 147.014 mill. Euro, which is a decrease in comparison with 2015. This was caused by more precise information from the administrative data source.

The number of working residents abroad slightly decreased in 2016 as compared to 2015 (app. by 7 000 workers), and based on current information taken from VZPS (Labour Force Survey) for the first two quarters of 2017, we expect also a slow decrease.

Data related to Property income (D.4) for 2014 were significantly changed due to the updated data for dividends and reinvested earnings taken from the National Bank of Slovakia. Data for 2015 and 2016 are still preliminary, and will be updated after obtaining final revised data according to the revision policy of the National Bank of Slovakia.

1.4 Description of developments in major sources

As regards exhaustiveness of main data sources for the sector of non-financial corporations we can state that the response rate for group of enterprises with the number of employees more than 20 slightly increased in comparison with the previous year (from 94.0 % to 95.2 %). As far as small enterprises (number of employees less than 20) are concerned, the response rate significantly increased compared to the previous year (from 57.0% to 64.5%). In case of financial companies, the response rate slightly increased in comparison with previous year (from 89.5% to 90.6%) and for insurance companies significantly increased (from 81.5% to 97.7%).

Part 2: Changes to sources and methods to final estimates

Within the framework of the first GNI information visit in July 2017, the action points A2 and A4 were due to the date of this Quality report submission.

Action point A2:

Transition item 3 "Non-life insurance - output, claims due to catastrophes, and reinsurance" (sheets "2- year (SK)" of the GNI Questionnaires) needs to be revised in line with the calculation presented in Table 8 of the GNI Inventory; it must be ensured that the changes to the intermediate consumption of sectors S.13 and S.15 are correctly reflected in output, final consumption expenditure and gross operating surplus; this concerns the years 2010-2013. The deadline for this work is 22 September 2017.

Work done:

As regards of item 3 (Non-life insurance – Output, claims due to catastrophes and reinsurance) of GNI Questionnaire 2016 the incorrect values were presented in the Table 2 (Transition items from ESA95 to ESA2010), despite the fact that in the system of national accounts the values for sectors S.13 and S.15 correctly entered to the algorithm of the output calculation by the cost method. Therefore the impact of the implementation ESA2010 in Table 3 (Quality report 2017) for the years 2010-2013 was adjusted as well the Table 2 in GNI questionnaire 2017. The figures before and after correction together with the quantified (negligible) impact on GNI in individual years are shown in the table below.

in mill. Eur

Item 3 - Non-life insurance services	2010	2011	2012	2013
The values in GNI Questionnaire 2016	31.242	-21.286	-31.064	-0.615
The values in GNI Questionnaire 2017	32.723	-22.255	-32.552	-0.700
The difference in volume	1.481	-0.969	-1.488	-0.085
The impact on GNI (as percentage of GNI (ESA95 based for 2010-2013) from the 2016 Questionnaire)	0.002	-0.001	-0.002	0.000

Action point A4:

Transition item 6 "government, public and private sector classification" (sheets "2-year (SK)" of the GNI Questionnaires) needs to be reviewed. It must be ensured that it only includes the impacts of those reclassifications that were made due to the ESA 2010 implementation. Reclassifications that would have to be done also under ESA 95 rules are to be excluded from the transition item. The deadline for this work is 22 September 2017.

As regards of the item 6 (Government, public and private sector classification) of GNI Questionnaire 2016 the two units (ZSSK and JAVYS) were included in the Table 2 (Transition items from ESA2010 to ESA95). After further verification of the sectoral classification of these units, we concluded that the main reason for reclassification was the result of market/non-market test. As this represented the main reason for reclassification under the ESA95 methodology, we came to the conclusion that reclassification of these units should be aligned to the ESA 95 rules. Therefore the impact of the implementation ESA2010 in Table 3 (Quality report 2017) for the years

2010-2013 was adjusted as well the Table 2 in GNI questionnaire 2017. The figures before and after revision altogether with the quantified impact on GNI are shown in the table below.

in mill. Eur

Item 6 - Government, public and private sector classification	2010	2011	2012	2013
The values in GNI Questionnaire 2016	458.055	439.123	440.904	477.680
Of which ZSSK and Javys	190.651	184.010	283.870	333.832
The values in GNI Questionnaire 2017	267.404	255.113	157.034	143.848
The difference in volume	-190.651	-184.01	-283.87	-333.832
The impact on GNI (as percentage of GNI (ESA95 based for 2010-2013) from the 2016 Questionnaire)	-0.296	-0.276	-0.407	-0.465

Part 3: Revisions to years 2010 to 2015

3.1 Routine (current) revisions

In 2014:

After incorporation of updated and more precise data from business surveys, administrative data sources, the overall effect of revision on output was in amount of 149.569 mill. Euro and on intermediate consumption in amount of 134.230 mill. Euro.

The overall impact on GDP was 15.429 mill. Euro.

Output was updated by the amount of 167.779 mill. Euro due to the change in volume for export and import entered. There was also a change in consumption of fixed capital in amount of -18.120 mill. Euro.

The intermediate consumption was updated due to the change in allocation of FISIM of 1.798 mill. Euro, changes in export and import in amount of 269.046 mill. Euro, and more precise data from business surveys, administrative data sources in amount of -136.614 mill. Euro.

The government final consumption expenditure was updated by -17.853 mill. Euro due to the change in consumption of fixed capital.

The adjustment of data for NPISH final consumption expenditure was in amount of -0.267 mill. Euro due to the change in consumption of fixed capital.

Based on the finalised data obtained from Foreign Trade Statistics, the exports of goods and services was adjusted by 167.779 mill. Euro and imports of goods and services by 269.046 mill. Euro.

The total change of the item property income D.4 amounted to 377.573 mill. Euro. This value consists of the adjusted data for interests, dividends and reinvested earnings. The revised values presented in the table below were obtained from the National Bank of Slovakia (BoP Department) as a final data for year 2014.

Change of property income in 2014

in mill. Euro

Code	Item	Uses	Resources
		2014	2014
D.41	Interests	6.699	29.127
D.421	Dividends	356.825	524.277
D.43	Reinvested earnings from FDI	100.522	-466.931
D.44	Other property income	0	0
	Change of D.4 total	464.046	86.473

In 2015:

After incorporation of updated and more precise data from business surveys, administrative data sources, the overall effect of revision on output was in amount of 570.235 mill. Euro and on intermediate consumption in amount of 767.028 mill. Euro.

The overall impact on GDP was -196.793 mill. Euro.

Output was updated by the amount of 106.254 mill. Euro due to the change in volume for export and import entered. The change in underestimated output was in amount of 66.861 mill. Euro. There was also a change in consumption of fixed capital in amount of -17.671 mill. Euro. Other adjustments are related to more precise data from business surveys, administrative data sources, and amounted 414.791 mill. Euro.

The intermediate consumption was updated due to the changes in export and import in amount of 324.832 mill. Euro, the change in overestimated intermediate consumption was in amount of -77.348 mill. Euro, and other adjustments amounted 519.544 mill. Euro are related to more precise data from business surveys and administrative data sources.

The government final consumption expenditure was changed by -17.655 mill. Euro due to the change in consumption of fixed capital.

The adjustment of data for household final consumption expenditure was in amount of 27.070 mill. Euro based on new updated data of expenditure on health.

The adjustment of data for NPISH final consumption expenditure was in amount of 1.634 mill. Euro based on new updated data and -0.016 mill. Euro due to the change in consumption of fixed capital.

Gross fixed capital formation was changed by 21.602 mill. Euro due to the more precise data from administrative data sources.

The item changes in inventories was revised by 57.142 mill. Euro due to the updated data obtained from administrative data sources.

Based on the semi-definitive information obtained from Foreign Trade Statistics, the exports of goods and services was adjusted by -213.697 mill. Euro and imports of goods and services by 426.345 mill. Euro. Updating of data on export/import of services is foreseen next year on the basis of new information from the BoP statistics.

Within the income approach the item D.1 was changed in amount 106.205 caused by improving the quality of source data obtained from the statistical sample survey for small companies Roč 2-01.

The total change of the item property income D.4 amounted to -151.016 mill. Euro. This value consists of the adjusted data for interests and dividends.

Change of property income in 2015

in mill. Euro

Code	Item	Uses	Resources
		2015	2015
D.41	Interests	-0.121	-0.001
D.421	Dividends	0	150.896
D.43	Reinvested earnings from FDI	0	0
D.44	Other property income	0	0
	Change of D.4 total	-0.121	150.895

3.2 Revisions related to the work on reservations

Up to now, no new specific reservations were raised for the Slovak Republic. As far as transversal issues are concerned, we currently provide Eurostat with information needed for cross country comparisons.

3.3 Other revisions due to changes in methods and sources

The revision due to the changes in methods and sources was caused by change in approach to grossing up of data obtained from statistical sample survey Roč 2-01 (for small companies).

With the aim to improve the quality of base data obtained from the statistical sample survey for small companies Roč 2-01, the SO SR started to check the possibility of using information from administrative data sources for grossing up of individual indicators. Analysis of information taken from the administrative data source was performed by the Directorate of Methodology and Registers for the years 2014 and 2015. Based on this analysis, the new grossing up for key indicators was prepared, and subsequently incorporated into the estimates of output and intermediate consumption for small enterprises. In addition, using the calibration based on the key indicators, the weights for other indicators were created. It means that all other indicators were grossed up using these weights.

The overall effect of this revision in 2014 on output was in amount of 2 018.128 mill. Euro and on intermediate consumption in amount of 1 892.127 mill. Euro. **The overall impact on GDP was 126.001 mill. Euro.** Based on new weights for grossing up, the gross fixed capital formation was changed by 276.823 mill. Euro, the item changes in inventories was revised by -16.729 mill. Euro, and item Acquisitions less disposals of valuables was changed by 0.723 mill. Euro.

In 2015 the overall impact in output was in amount of 4 424.367 mill. Euro and in intermediate consumption in amount of 4 016.739 mill. Euro. **The overall impact on GDP was 407.628 mill. Euro.** Based on new weights for grossing up, the gross fixed capital formation was changed by 760.812 mill. Euro, and Acquisitions less disposals of valuables was changed by 0.265 mill. Euro.

The overall impact of this change on GNI for 2014 and 2015 is presented in the table below.

The impact of changes in methods and sources

as % on GNI Questionnaire 2016	2014	2015
Total revision caused by changes in methods and sources (excl. ESA2010 implementation)		
of which:		
administrative data source used grossing up of sample survey for small companies	0.2	0.4

3.4 Revisions due to the transition from ESA 95 to ESA 2010

No relevant new information was recorded in NA related to revisions due to the transition from ESA95 to ESA2010 (ESA2010 implementation).

Part 4: Revisions related to GNI reservations (2002-2010)

This part of the GNI Quality report 2017 is not relevant for the Slovak Republic as it was mentioned in the part 1.0.