

**Quality declaration GDP PRELIMINARY ESTIMATE BY
PRODUCTION APPROACH AT CURRENT AND CONSTANT
PRICES**

0.General Information on Statistical Products		
0.1	Title	GDP Preliminary Estimate by Production Approach at Current and Constant Prices
0.2	Subject Area	National accounts, gross domestic product
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0.4	Purpose and History	Armenia introduced quarterly GDP estimate by production approach in 1992 when the country adopted the economic system change policy aimed at development of liberated economic relations, transition to which implied introduction of relevant estimate system based on internationally recognized concepts, principles, definitions, classification and accounting rules (SNA-93 and ESA-95). Since 2014 Statistical Committee has been made methodological changes in national accounts of Armenia introducing SNA 2008 instead of SNA 1993.
0.5	Users and Application	The scope of main users of the statistical information on quarterly GDP estimates by production approach is rather broad. Among main users are public agencies in charge of the country's economic policy and economic forecasts, other public administration and local self-government bodies, public, scientific-educational, financial organizations, business community, mass media, international organizations, etc. Data is used for analysis, modeling and forecasting purposes.
0.6	Information Sources	Estimates are based on different sources, mainly findings of Armstat statistical observations. Monthly, quarterly and annual observations of organizations are used during estimation of some components of GDP estimated by production approach. For agriculture the data are provided by 12090 farms in the sample (total number of the farms is 34000) as well as 100 trade

		<p>organizations. In addition, findings of household living standard complete and labor force sample surveys conducted by the Armstat are used.</p> <p>Information provided by the Ministry of Finance (MB) is used to estimate services of public administration bodies, tax incomes and subsidies. Data received from the RA Central Bank (CB) are used to calculate financial activity production, indirectly measured financial mediator services and financial sector estimations.</p> <p>For deflation purposes consumer price indices, producer price indices, product import-export indices are used.</p>
0.7	Legal Authority to Collect Data	The data are collected based on the Law on "Official Statistics" and "Five Year Statistical Program", as well as the Resolution No. 05-N of RA State Council on Statistics "On Approval of the Procedure for the collection of statistical data" dated 20 June 2016 and Resolution "On Approval of Annual Statistical Program".
0.8	Response Burden	There is no direct response burden.
Content		
1.1	Description of the Content	<p>The national accounts of Armenia are compiled in accordance with the fundamental concepts, categories, accounts' conception, as well as the other methodological foundations of the System of National Accounts (SNA 2008). Simultaneously, implementation of the ESA 2010 is in the progress.</p> <p>All functions defined in SNA are covered. GDP estimate includes all market transactions, including barter. The entire economy of the Republic of Armenia is covered.</p> <p>GDP is compiled current starting from 2011 from 1st quarter prices, at average annual prices of the previous year and at average annual prices of the reference year. The base year is the previous year.</p> <p>For the calculation of quarterly data by comparable prices double defoliators are used. For estimation by comparable prices the prices and the extrapolation method of calculation is used. For this purpose the number of employees and other volume indicators characterizing economic activity types are used. Data is adjusted according to households integrated living conditions survey results, as well as general balance necessity between GDP calculated by production and expenditure approaches is partly taken into consideration. Estimates according to last year prices are made by current prices according to deflation of final consumption and cumulative components by using relevant price indexes.</p> <p>Production and Import taxes include other production, product</p>

		<p>and import taxes. Subsidies are current non compensable payments from the State budget to enterprises provided to those enterprises which are producing particular goods and services.</p> <p>Gross (or net) operating surplus of the economy is the part value added which remains with producers after deducting outlays.</p> <p>The basic method for GDP estimation is the production method. The difference of GDP estimated by production and expenditure approaches in accounts is presented as statistical deviation.</p>
1.2	Statistical Concepts	<p>National Accounts of Armenia are prepared according to main classifications, definitions and concepts defined in the System of National Accounts as well as other methodological references.</p> <p>Gross domestic product (GDP) (use of revenue) is calculated as the final consumption expenditure of goods and services, gross accumulation and net export sum. It shows how households, government agencies, and nonprofits serving households distribute their disposable income between end-use and savings.</p> <p>Final consumption expenditures consist of final consumption expenditures of households, general government final consumption expenditures on individual goods and services and collective services, and also final consumption expenditures of non-profit institutions serving households. Such grouping shows which sector pays for final consumption.</p> <p>Final consumption expenditures of households include outlays for purchasing consumer goods and services from all trading enterprises and market-places, and through non-organized trade (street vendors), from public utility service, passenger transport, communications establishments, hotels, commercial institutions of culture, health care, education, and also other consumption of goods and services in kind, produced for own use (agricultural produce of personal subsidiary plots, imputed services of owner-occupied dwellings), and received as labor remuneration.</p> <p>General government final consumption expenditures on individual goods and services consist of outlays of government institutions on consumer goods and services intended for personal consumption. Such outlays are funded from the State budget and extra-budgetary funds.</p>

		<p>General government final consumption expenditures on collective services: This category is different from the previous one since it includes services rendered by organizations which are compensated from the State budget; such services meet needs of community as a whole, but not of individual households.</p> <p>Final consumption expenditures of non-profit institutions serving households are outlays of non-commercial organizations on consumer goods and services provided free of charge to households are also included here. The services provided free of charge by organizations to their employees on education, health care and e. t. c.</p> <p>Gross fixed capital formation is defined as resident units' investments in fixed assets with the purpose of using these to create new incomes in the future.</p> <p>Changes in inventories comprise changes in productive stocks of semi-finished and finished products, and products for resale. The value of changes in inventories during a given accounting period is equal to the difference between the value of inventories at the end and at the beginning of the year, measured at average market prices of the period in order to eliminate the influence of prices.</p> <p>Net exports are defined as the difference between exports and imports of goods and services.</p> <p>Expenditures for GDP calculation were applied for Classifications of individual consumption by purpose and public administrative bodies of SNA.</p>
2. Time		
2.1	Reference Period	Reference period for quarterly data is the calendar quarter.
2.2	Date of Publication	<p>Quarterly GDP data estimated by production approach are published on the 51/53 days following the reference quarter, which are revised on the basis of reference annual data of the previous year and are published at the end of April.</p> <p>Quarterly reference data are published on May 5th of the 2nd year following the reference year, and the total accounts are published in the 4th quarter.</p>
2.3	Punctuality	Data are published according to schedule of annual programs publication and no delays from defined deadlines have been recorded.

2.4	Frequency	Quarter: on quarterly basis.
3.Accuracy		
3.1	Overall Accuracy	Production data on unregistered activity and shadow/informal/economy are under verification. Given incomplete coverage of the data, failure to present the information or presenting unreliable information, the estimations are based on data about production of commodities, number of employed and participants of production, which are received regularly from statistical reports, as well as from complete surveys on household living standards and sample surveys on labor force. Share of participation in GDP of informal sector is currently estimated based on findings of the 2009 Survey on Informal Sector and Informal Employment in Armenia. In addition, indirect macroeconomic methods are applied, using estimated of sector surveys conducted in different years and other information sources.
3.2	Sources of Inaccuracy	Possible inaccuracy of data in national accounts is due to incompatibility of data received from different sources.
3.3	Measures on accuracy	The difference of quarterly GDP estimated by production and expenditure approaches in the accounts is presented as statistical deviation.
4.Comparability		
4.1	Comparability over Time	In cases when methodological or other changes are made (e.g. base year change, relevant publications provide explanatory notes on such changes and show rows estimated (revised) for previous years.
4.2	Comparability with other Statistics	There is comparability with other sources, for example corresponding data received from the Central Bank and Finance Ministry.
4.3	Coherence between Provisional and Final Statistics	Data on GDP preliminary quarterly estimate by production approach are revised on the basis of the final annual reporting data.
5.Accessibility		
5.1	Forms of Dissemination	<p>Publications</p> <p>Monthly publications</p> <p>Quarterly data on GDP are published in “Socioeconomic Situation of the Republic of Armenia” monthly informative report (Armenian and Russian).</p> <p>a) quarterly GDP by production approach, according to final consumption components (final consumption breakdown per household final consumption, consumption by non-commercial organizations and public administration bodies serving households, where the last component in its turn is divided into individual and collective consumption, as well as gross capital accumulation according to fixed assets gross accumulation and current tangible</p>

		<p>resources change) at current prices, compatible prices of the previous year same period (from 1st quarter 2011 at previous year average annual prices), as well as for physical volume indexes and GDP structure of the corresponding period previous year, and starting from 2011, also chronological rows of physical volume chain indexes.</p> <p>b) Quarterly GDP estimated by production approach at base year annual (constant) prices, both with and without seasonal adjustments and per final consumption elements.</p> <p>Databases: https://armstatbank.am/pxweb/en/ArmStatBank/?rxid=602c2fcf-531f-4ed9-b9ad-42a1c546a1b6,602c2fcf-531f-4ed9-b9ad-42a1c546a1b6</p> <p>Website: Electronic versions of publications are available in Armenian (full), Russian, English at the following address: http://www.armstat.am In the National Accounts division http://www.armstat.am/am/?nid=263</p>
5.2	Basic Material: Storage and Usability	Collected statistical reports maintained both in paper and electronic forms.
5.3	Documentation	<p>Brief methodological explanations on indexes are published in quarterly issues of “Socioeconomic Situation of the Republic of Armenia” monthly informative report (Armenian and Russian), and more detailed information is available in the National Accounts of Armenia statistical book.</p> <p>Additional documentation is available in the Metadata subsection of the Statistics section of the Armstat official website, in line with IMF Special Data Dissemination Standards, in Armenian, Russian and English languages, E address: https://www.armstat.am/en/?nid=549:</p>
5.4	Other Information	No other information is available.
6. Supplementary Documentation		
		Information is available under the General Statistical Business-Process Model at https://www.armstat.am/en/?nid=672 .