

# Agency for Statistics of Bosnia and Herzegovina

## National Accounts Revision Policy

Sarajevo, May 2023



## Contents

List of abbreviations .....	4
I Introduction .....	4
II Legal requirements .....	5
2.1 European statistical law.....	5
2.2 Code of Practice.....	5
2.3.ESA 2010 transmission programme .....	6
III Two systems of annual and quarterly accounts in BiH .....	6
IV Types of revisions.....	7
4.1 Routine revisions .....	7
4.2 Major revisions (Benchmark revisions) .....	8
4.3 Non-scheduled revisions .....	8
V Revisions of quarterly and annual accounts of gross domestic product.....	8
5.1 Quarterly accounts of gross domestic product .....	8
5.2 Annual accounts of gross domestic product .....	9
VI Communication with users and public dissemination .....	10

## List of abbreviations

ANA – Annual National Accounts

BHAS – Agency for Statistics of Bosnia and Herzegovina

BiH – Bosnia and Herzegovina

BPM6 – Balance of Payments and International Investment Position Manual 6

CBBH – Central Bank of Bosnia and Herzegovina

ESA – European System of Accounts

ESA 2010 – European System of Accounts 2010 as defined in Regulation (EU) No 549/2013

ESA 2010 TP – ESA 2010 Transmission programme, Annex B, Regulation (EU) No 549/2013

ESS - European Statistical System

EU – European Union

FISIM – Financial Intermediation Services Indirectly Measured

GDP - Gross Domestic Product

GFS – Government Finance Statistics

GNI - Gross National Income

HERP – Harmonized European Revision Policy

IMF – International Monetary Found

MBP – Multi Beneficiary Programme

MoU – Memorandum of Understanding

NA – National Accounts

QNA – Quarterly National Accounts

# I Introduction

The revision policy is an integral part of the statistical production process, the purpose of which is to provide the most up-to-date and accurate information. It is an element of a gradual improvement in the quality and accuracy of data along with the improvement of the availability of data sources or estimation methods. Revisions are a common characteristic of both QNA and ANA releases. A particular significance revisions have in the QNA because they tend to be larger and they occur more frequently.

The current Revision policy of national accounts compiled by Agency for Statistics of BiH (BHAS) is based on the recommendations of the Harmonized European Revision Policy (HERP), at the same time taking into account the specificity of the compilation process and the dynamics of statistics carried out by the Agency for Statistics of BiH.

A Harmonised European Revision Policy (HERP) was put in place to ensure coordinated and consistent revisions between the statistical domains within each country and across the EU.

## II Legal requirements

Bosnia and Herzegovina as a candidate country for full membership in the European Union is obliged to implement in the accession period the all regulation relevant for domain Statistics.

There are three groups of Legal acts relevant for revisions of data covered by ESA 2010 Transmission programme:

- European statistical law;
- Code of Practice;
- ESA 2010 transmission programme.

These will be briefly described in this chapter.

### 2.1 European statistical law

Regulation (EC) No 223/2009 sets out the legal framework for developing, producing and disseminating European statistics. European statistics are compiled through European statistical programmes and according to the statistical principles of professional independence, impartiality, objectivity, reliability, statistical confidentiality and cost effectiveness.

Article 16, Regulation (EC) 223/2009 on the 'European approach to statistics' states that 'If necessary, a coordinated release and revision policy shall be established in cooperation with Member States'. It also specifies that, where necessary, this applies to European statistics covered by European statistical programmes.

### 2.2 Code of Practice

The Code of Practice defines the following indicators for assessing revision quality:

**Principle 6** ‘Impartiality and Objectivity’: ‘Advance notice is given on major revisions or changes in methodologies.’ (Indicator 6.6);

**Principle 8** ‘Appropriate Statistical Procedures’: ‘Statistical processes are routinely monitored and revised as required.’ (Indicator 8.3); ‘Revisions follow standard, well-established and transparent procedures.’ (Indicator 8.5);

**Principle 12** ‘Accuracy and Reliability’: ‘Revisions are regularly analysed in order to improve source data, statistical processes and outputs.’ (Indicator 12.3).

Each ESS data compiler must comply with the European Statistics Code of Practice.

## 2.3.ESA 2010 transmission programme

National accounts data are transmitted to Eurostat under the ESA 2010 transmission programme (ESA 2010 TP), Annex B to Regulation (EU) No 549/2013.

ESA 2010 transmission programme specifies that: ‘When data that have already been transmitted to the Commission (Eurostat) are revised, those revised data shall be transmitted to the Commission (Eurostat) no later than the day they are published by the national authority.’

This requirement applies to all ESA 2010 tables.

## III Two systems of annual and quarterly accounts in BiH

The Agency for Statistics of Bosnia and Herzegovina, according to the Law on Statistics of Bosnia and Herzegovina, is a state institution competent to process, disseminate and endorse statistics of Bosnia and Herzegovina, perform international representation and co-operation with organisations and other bodies and fulfil the international obligations of Bosnia and Herzegovina in the field of statistics.

BHAS produces and disseminates statistics of Bosnia and Herzegovina determined by the Statistical Programme of Bosnia and Herzegovina, which is prepared for four yearly rolling period with the relevant details broken down on a yearly basis. The Entities have own Statistical Programme but their Programmes have to include the all activities planned in the Statistical programme of Bosnia and Herzegovina. A detailed overview of the proposed statistical activities for each budget year is elaborated in a Work Plan, following consultations with the entity statistical institutes, if necessary.

According to the Law on the Central Bank of Bosnia and Herzegovina (CBBH), the Central Bank is responsible for collecting, processing and publishing of monetary sector statistics and balance of payments statistics, including foreign trade data, implementing the international standards of the International Monetary Fund (IMF).

The Central Bank of Bosnia and Herzegovina, according to the Law on the CBBH, the BiH Statistics Law and the Memorandum signed between Agency for Statistics of BiH and the CBBH, is in charge of compilation and dissemination of Balance of Payments statistics for

Bosnia and Herzegovina. Compilation and dissemination is done according to the internationally recognized standards, set by the International Monetary Fund (IMF) and most recently published in 2009 in the sixth edition of Balance of Payments and International Investment Position Manual (BPM6).

In January 2007, BHAS signed the Memorandum of Understanding with the Central bank of BiH which lays out the areas of responsibilities and methods of cooperation, aiming to improve development of economic and financial statistics in BiH.

In October 2021, BHAS signed the new Memorandum of Understanding with the Central bank of BiH which lays out shared responsibility in the development of General Government Statistics and Excessive Deficit Procedures. According to this MoU currently the main responsibility of Agency for Statistics is implementation of Sector classification and Central Bank of BiH in general is responsible for compilation of GFS Tables 2, 9 and 28, as well EDP Annex 1. The compilation of other tables and annexes will be the subject of additional agreements with the Central Bank.

## IV Types of revisions

Three important revision types used in the process of compiling NA are considered:

- Routine revisions;
- Major (benchmark) revisions;
- Non-scheduled revisions.

These revision types are briefly described in this chapter. The details for BiH are provided in the next chapter.

### 4.1 Routine revisions

Routine revisions (or current revisions) encompass all changes in national accounts estimates for a particular period from the first to the final estimate. These revisions are in principle based on the availability of new information from data sources used to achieve full comparability in volume and price changes with the previous year and for all indicators. Routine revisions and their proper interpretation have effects on both users and producers of statistical data. From the users' perspective, revisions improve the information available and thus are welcome. However, they may also lead to an adjustment of measures used in economic analysis and as a consequence result in different assessment of the state of the economy. From the producers' perspective, the new information brought by the revisions describes economic developments more precisely, but frequent revisions can damage data credibility. Moreover, absence of revisions can also indicate that indicators for which more accurate source data are available are not being updated and that errors are not being corrected, i.e. that the statistics published are stable but potentially inaccurate.

## 4.2 Major revisions (Benchmark revisions)

Major revisions (Benchmark revisions) are revisions of data sources or methods used to estimate national accounts indicators. Major revisions imply significant changes in the data due to changes in classifications, definitions, methodologies, changes in the base period, development of new sources and methods or availability of new statistical data like, for example, census data. Major revisions are conducted in larger time intervals. They are announced in advance, in order to inform users of the release dates, the reasons for conducting a major revision and, if possible, with the probable impact on the most important indicators. Major revisions include provision of longer data series by recalculation, to the extent possible, in order to minimize the negative effects of breaks in data series. After the dissemination of the revised data it is necessary to disseminate also the analysis of the impact of changes to the data.

## 4.3 Non-scheduled revisions

Non-scheduled revisions are caused by events that were not possible to predict, such as, for example, significant unforeseen subsequent changes in the data sources due to revisions/modification of data or subsequently determined errors in previously submitted data.

# V Revisions of quarterly and annual accounts of gross domestic product

Quarterly data are short-term indicators by their nature and are often based on estimated values. Annual data are compiled based on reported figures and present benchmark totals. In the period of time during the year when annual data are produced, BHAS has to revise quarterly data and align them with the annual data. Those adjustments are data-driven and are therefore part of routine revisions.

## 5.1 Quarterly accounts of gross domestic product

Quarterly GDP estimates are published 3 months after the reference period.

### ***Routine revisions***

Factors contributing to revisions of quarterly national accounts include:

- availability of more detailed and up-to-date sources of information during the reference year, when annual data are not yet compiled;
- availability of preliminary and final annual estimates - adjustments of quarterly data to annual data;
- availability of revised annual estimates - adjustment of quarterly data to annual data;

- introducing a new reference year for chain linked volume estimates - usually every 5 years, within the benchmark revisions.

In addition, revision of seasonally adjusted data is performed at the same time at the revision of seasonally unadjusted data, after adding another observation (quarter) to the time series.

The schedule of routine revisions envisages the preparation of a preliminary GDP estimate in the following months:

- March of the year T – estimate for Q4 quarter of the year T-1.
- June of the year the T – estimate for Q1 quarter of the year T, revision of all quarters from 2015 onwards.
- September of the year T – estimate for Q2 quarter of the year T, and introduction of the first annual GDP data as benchmark data for the year T-1, revision of all quarters from 2015 onwards.
- December of the year T – estimate for Q3 quarter of the year T and introduction of the final annual GDP data as benchmark data for the year T-1, revision of all quarters from 2015 onwards.

### ***Major revisions***

Major revisions concern changes of the published data and result from changes introduced to the concepts, definitions, classifications used in national accounts and changes in legal acts, as well as the availability of new data sources, including census data. The major revisions, both of annual and quarterly data, cover the full time series or its significant part.

The most important revisions of quarterly national accounts data were implemented in the following years:

- In July 2021, in the framework of IPA 2017 MBP, after revision of annual data BHAS also revised and published extended quarterly data series, covering period 2000 – 2020.
- In 2022, after revision of annual data caused by implementation of FISIM estimates, quarterly data were revised respectively.

## 5.2 Annual accounts of gross domestic product

### **Routine revisions**

In the annual national accounts of GDP, routine revisions are made three times. For the first time, the annual GDP for the year T-1, published at the end of March of the year T, is compiled on the basis of the quarterly GDP results.

Subsequently, the following revisions are carried out:

- the first annual GDP by production estimate for the year T-1 - compiled on the basis of annual data obtained from statistical reports, reports of external institutions, statistical

surveys (date of publication: First release on gross domestic product (GDP) at the end of July of the year T);

- the first annual GDP by income approach estimate for the year T-1 - compiled on the basis of annual data obtained from statistical reports, reports of external institutions, statistical surveys (date of publication: First release on gross domestic product (GDP) at the end of July of the year T);
- the first annual GDP by expenditure approach estimate for the year T-1 - compiled on the basis of annual data obtained from statistical reports, reports of external institutions, statistical surveys, Balance of payment data (date of publication: First release on gross domestic product by expenditure approach, at the end of September of the year T);
- the final annual GDP, estimate for the year T-1, by all three approaches - compiled on the basis of data from statistical reports and administrative sources, (date of publication: Thematic Bulletin Gross Domestic Product by production, income and expenditure approach and gross national income (GNI) – December of the year T).

**Major revisions** concern significant modifications to the published data as a result of conceptual (methodological) changes, changes in applied classifications, basic data sources, definitions and legal acts. The revisions cover all or a large part of the time series, both in current and constant prices.

The most important revisions of annual national accounts data were implemented in the following years:

- In 2017 BHAS implemented the new statistical standards ESA 2010 and published the new data series covering period 2005 – 2015,
- In the framework of IPA 2017 MBP BHAS collected the new data sources and in 2021 published extended data series, covering period 2000 – 2020,
- In 2022 BHAS published the new series of annual national accounts including the new estimates on FISIM and results after allocation of FISIM.

## VI Communication with users and public dissemination

BHAS publishes compiled data on their official web site using quarterly First Releases <https://bhas.gov.ba/Calendar/Category/12?lang=en>; and the annual Thematic bulletin <https://bhas.gov.ba/Calendar/Category/12?lang=en>.

BHAS publishes the release schedule for the coming year specifying exact dates of release for the regular production process (Release Calendar) <https://bhas.gov.ba/Calendar/#> . The Calendar is open for changes and, if unexpected need for publishing of data occurs, it is announced at latest three working days before in the Release Calendar.

BHAS pre-announces the revisions in advance with sufficiently detailed information about the scope of the revision, reasons for the revision and possible breaks in time-series.

The changes caused by the revisions are explained to users in Methodological explanations in the First Releases and Thematic bulletins, as well as Data sources and methods used for

compilation of non-financial accounts. BHAS compiles and transmits to Eurostat much more data than it publishes on their web site. Data that are not published always can be found in the Eurostat database after the process of validation is finalized, except for data transmitted as confidential data.

For communication with users, BHAS also uses different social media such as Facebook, Twitter and Instagram.