

is no problem of imputation because all the necessary data are regularly published by so-called structural statistics in the form of index or in absolute amounts based on which needed indices can be easily computed. As far as normalization is concerned, reference should be made that indices need not to be brought down to the comparable value by means of the categorical scale, standardization, etc. because they are already normalized as they present indices with the same base year. In the case of the composite index, the problem of the inclusion of components bearing the same information and being highly correlated with already included is insignificant because selected individual components fit the sections in the classification of activities of the European Union - NACE rev. 1, which make up the national economy.

2.2. Aggregation and weighting

In order to pool the trends of the economic activity in the selected individual components, they have to be aggregated properly. In that sense, it is very important to perform an adequate weighting so the share of individual components fits their relative importance. Knowing the influence weights have on the value of the composite index, the weighting system has to be clear and transparent. A number of methods that can be used for weighting, for instance equal weights, weights based on statistical models, weights based on expert opinion,

etc. are mentioned in reference books.⁵ In this case, decision has been made to select weights based on the share of the gross value added of each of the cited individual components in the total gross value added in 2007 because industry, construction, trade, transport and other services are integral part of the national economy. Consequently, their share in the total gross value added of the national economy is indicative of the relative importance of each of them. The year 2007 has been selected because it is the last year for which there are officially published data, and is therefore, by its characteristics, most similar to the current year. Any other year previous to 2007 would have given an rather erroneous picture of the current structure of the national economy due to changes in production, consumption, the occurrence of new or disappearance of old products from the market, change of quality, etc.

Consequently the weights of each previously defined section are shown in the table below. The greatest weight is that of the section "Other services" 0.4438, followed by "Industry" 0.2689, "Trade" 0.1355 and "Transport and communication" 0.0934. Construction has the lowest weight 0.0584. Weights are identical for each accounting period, and their sum equals one. Weights will be changed once annual data on GDP are available at current prices for 2008 in order to maintain as much as possible the real structure of the national economy.

⁵ For more details on those methods see: Handbook on Constructing Composite Indicators: Methodology and User Guide, OECD, 2008, pp 89-99.