

VI. GROSS DOMESTIC PRODUCT AND NET MATERIAL PRODUCT

The gross domestic product (GDP) characterizes the final result of economic activity within the territory of the country both in the sphere of production of goods and in the sphere of services - market and non-market.

The data on GDP is monitored according to the production approach by economic sectors, by branch and by institutional sector and from the expenditure side as well.

The gross value added from the production side is the difference between the gross output and the intermediate consumption.

From the expenditure side the components of GDP are: individual and collective final consumption of goods and services, gross fixed capital formation, changes in stocks and net exports.

- Final consumption of households includes the purchases of goods (excluding those purchased for intermediate consumption); the value of consumed products that are domestically produced; the purchases of services; the imputed rents of owner occupied dwellings.

- Other final consumption includes the personal consumption provided free of charge relating to educational, cultural and health services, and the collective consumption measured by the input costs for science, general government, defence, security, finances, social welfare and insurance (excluding the imputed output of banks).

- Gross fixed capital formation includes the investments made during the year for acquisition of tangible long-term assets, including construction in progress and changes in stocks in volume terms of materials, of work in progress, of finished products, of goods and wrappage, young animals and animals for fattening.

The institutional sectors are created by re-grouping of data by type of ownership and by economic goals, functions and behaviour of business units.

To 'Non-financial enterprises' are referred all units whose main activity is production of goods and non-financial services for the market with respect to cover the intermediate costs and to make profit.

To 'Financial enterprises' are referred all units, engaged mainly with financial intermediation or facilitating financial intermediation. The financial enterprises are the National bank, the trade banks, brokers' houses and insurance institutes.

'General government' includes the state administration bodies: ministries and organizations, central and local authorities, state financed and controlled entities.

These are producers of public services for individual and collective consumption.

The sector 'Non-profit institutions serving households' consists of all entities that provide non-market goods and services to households free of charge or at a reduced prices. These are the trade-unions, the political, religious organizations, the charity institutions, foundations and other non-profit institutions.

The 'Household sector' includes all resident households, irrespective the number of their members, as well as the institutional households. All households are consumers of goods and services, but some of them are small producers mainly for their own consumption.

In the GDP estimates for 1990 the output of banks and insurance institutions and the imputed rents of owner occupied dwellings are evaluated by the volume of current expenditures. Since 1991 they are estimated according to the methodological recommendations of SNA.

The adjustments in the tables cover the imputed production of banks and import duties.

The gross material product and the net material product are created in the sphere of material production. The gross material product is the sum of the total output of the material production industries and the net material product is the sum of their net output.

The indices and the structures (relative shares) are calculated from absolute volumes at constant prices operative during the respective period. For years in which price changes or methodological modifications occur chain indices eliminating the price changes are calculated. The indices and structures prior to 1989 were estimated at 1982 prices; for 1990 - at 1989 prices and for 1991 - at 1990 prices.

The adjustments are due to:

- Data revision for 1990 and 1991 by branch in respect of introducing the production approach for estimation of GDP since 1992 and according the SNA recommendations. Data for 1990 and 1991 published until now were estimated following the methodological differences between the concepts for net material product and gross domestic product;

- The allocation of data for 'Other branches of material production' by economic sector was precised: to sector 'Industry' are left only the 'Unincorporated activities of households' and the resting part - 'Business services' - is transferred to sector 'Services'.

These data changes are unavoidable until the full implementation of SNA and the updating of time series is not finished.