

Publication policy and revised  
schedules for national accounts  
and balance of payments  
starting from 2019

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## Background

National accounts and balance of payments are statistics that are, as a rule, regularly revised. On the one hand, national accounts and balance of payments are expected to produce quick monthly and quarterly economic data, but, on the other hand, also more extensive data on the structure of the economy.

The purpose of providing data quickly is to describe the trend of economic development through certain key figures or indicators. With more detailed and extensive data, it is possible to study the structure and details of the economy more closely. Based on these, decisions with a more forward-looking perspective can be made.

The national accounts are revised over time because data sources for short term data produced quickly are available with a very different time lag than those used in detailed sectoral and structural parts of national accounts. Thus, the revision of data is an essential part of the nature of national accounts and balance of payments data.

However, the constant and frequent revision of data can be challenging for data users. Therefore, a practical compromise of publishing up-to-date yet stable national accounts and balance of payments data is sought via both national practices and international agreements.

## International guidelines and practices

At the moment, there are several legal acts on the EU level which govern the content and production methods of national accounts and balance of payments. The most important is the regulation on the European system of national and regional accounts in the European Union<sup>1</sup>. Annexed to the regulation in question are both the [ESA handbook](#)<sup>2</sup> on national accounts, as well as the [ESA 2010 data transmission programme](#) specifying the content of the tables to be transmitted to Eurostat, the length of time series and transmission schedules.

National accounts data are used for several administrative purposes at the EU level. The EDP regulation<sup>3</sup> has been designed especially for the compilation of statistics on general government deficit and debt. Furthermore, the GNI Regulation<sup>4</sup> is used to define GNI based contributions of the EU Member States. The compilation of the balance of payments is governed by the [BPM6 manual](#), the [ECB's guidelines](#)<sup>5</sup> and a separate Commission regulation<sup>6</sup>.

The above-mentioned regulations do not contain guidelines for the revision of data, but only the latest transmission deadlines for different parts of national accounts. For balance of payments, ECB instructs to transmit the revised statistical data always together with the latest data transmissions. In addition, ECB specifies the exact date of the data revision and the depth of revised period.

In 2012, The Committee on Monetary, Financial and Balance of Payments Statistics (CMFB) agreed on guidelines for a harmonised European revision policy for national accounts and the balance of payments. Because the EU Member States have so far

<sup>1</sup> Regulation (EU) No 549/2013 of the European Parliament and of the Council

<sup>2</sup> The European System of National and Regional Accounts, ESA2010

<sup>3</sup> Council Regulation (EC) No 479/2009, last amended by Commission Regulation (EC) 220/2014

<sup>4</sup> Council Regulation (EC, Euratom) No 1287/2003

<sup>5</sup> ECB/2011/23

<sup>6</sup> Commission Regulation (EU) No 555/2012

implemented the harmonised revision policy to a varying degrees, the guidelines were further specified in 2016.

The guidelines of the harmonised European revision policy (HERP) are recommendations for the Member States. In HERP, revisions are classified into routine revisions and benchmark revisions. Data sources used for national accounts compilation are available at different points of time and that creates a need to revise already published data in the other words to execute routine revision. In routine revisions, quarterly and annual data should be consistent with balance of supply and demand, sector accounts, financial accounts and balance of payments. Furthermore, in September, all these subsets of national accounts and balance of payments should be mutually coherent.

Concerning the length of time series HERP specifies that the length of the revised time series for quarterly data should be the quarters of the past four years in addition to the quarterly data of the current year. The exception is September transmission deadline, or the third quarter transmission, where the length of revised time series of data is not limited. For annual data, the depth of the revised time series is four previous years during the 1<sup>st</sup> quarter transmission. For the 2<sup>nd</sup> quarter it is two previous years or four previous years when required for national policy purposes. In the 3<sup>rd</sup> quarter the length of revisions is unlimited. For the 4<sup>th</sup> quarter the length of revisions is two previous years.

Benchmark revisions are recommended to be carried out every five years (that is, in 2019, 2024, 2029, 2034 and so on). It is advisable to carry out the revision throughout the whole time series. Data release should be scheduled for the third quarter, in practice for, September. In connection with the benchmark revision, it is recommended that data for all subsets of national accounts and balance of payments are consistent with each other, all important source data updates and significant methodological revisions are taken into account and all known changes to the classifications have been applied. In addition, the methodological changes (cf. SNA2008/ESA2010 revision in 2014 or BPM5 update to BPM5 in 2014) are executed in internationally coordinated way.

In addition to schedules of the transmission programme, Eurostat has requested that data should always be transmitted also to Eurostat in connection to national data releases. There is a similar practice in the balance of payments, i.e. when the data is published nationally, it is transmitted to ECB.

## **Comparison of Finnish national accounts and balance of payments practices with international guidelines**

In Finland, national accounts data are produced almost completely in accordance with the ESA2010 transmission programme. So far, there have been only minor deficiencies due to technical reasons in the transmission of first annual preliminary data. Certain annual level data can be transmitted only in mid-March instead of at the end of February.

There have been no major challenges in transmitting general government deficit and debt figures or GNI data in accordance with given regulations.

The production of balance of payments data was transferred from the Bank of Finland to Statistics Finland at the beginning of 2014. The production system of balance of payments was integrated with the national accounts production system between 2014 and 2017. As compilation of BoP has been stabilised, the international requirements are met almost completely. The compilation timetable for the most detailed data on foreign direct investments could still be improved.

Thus, compliance with international regulations does not significantly challenge the development of the compilation of Finnish national accounts. In practice though, the merger of balance of payments and national accounts has been challenging because the publication times are different. Annual data on balance of payments are published as sums of quarterly data, whereas the publications of annual national accounts have been traditionally published at mid-July and at the end of January.

In order for balance of payments and national accounts to be published in consistent manner, the publication dates should be aligned as well. The requirement of coherent publication dates naturally also applies for other parts of national accounts as well: If the publication dates are very different, it is possible that in the meantime the source data is revised and datasets thought to be consistent differ from each other (cf., for example, the benchmarking of quarterly data with annual data already carried out previously as a national Finnish practice in connection with July publication).

The harmonised European revision policy also steers toward moving annual publications to March, June, September and December. In addition, the harmonised revision policy guides towards limiting the length of time series to be published only to concern the four previous years. In Finnish quarterly national accounts, quarterly sector accounts and financial accounts publications the previous practise has been to revise the whole time series.

## **Publication policy for national accounts and balance of payments until 19 June 2019**

The Trend Indicator of Output, describing production activity in accordance with national accounts, has been published monthly with a lag of 45 days in Finland. The content of the statistics is in accordance with the EU's quarterly GDP flash estimate. The national publication of the quarterly GDP flash estimate is compiled with a lag of 45 days, but the quarterly transmission to the EU is provided already with a lag of 30 days. The monthly balance of payments is also published with a lag of 45 days.

The quarterly national accounts are published with a lag of 60 days. In the data content, gross domestic product is described from the point of view of supply, demand and income. In addition, gross national income is published, that is, in addition to gross domestic product also property income and expenditure between resident and non-resident units.

The quarterly balance of payments and quarterly sector accounts are published with a lag of around 80 days. The quarterly financial accounts is published with a lag of around three months.

The first annual data on the previous year's GDP, demand and supply and on gross national income are published with a lag of two months in connection with the release of quarterly national accounts. The first preliminary annual national accounts is, in turn, published according to the national schedule with a lag of around 75 days in mid-March. In addition to revised annual data on demand and supply, it contains data on sector accounts. The EU regulation requires reporting according to ESA2010 on the data in question with a lag of three months, but the Ministry of Finance needs the data already earlier to be used as a background data for economic forecast and the preparation of the General Government Fiscal Plan (includes Finland's Stability Programme).

The second preliminary annual national accounts have been published in mid-July, that is, with a lag of good six months. These preliminary annual data – as well as the preliminary annual data following this publication – have been compiled in accordance with annual national accounts methods and by the most detailed industrial breakdown possible. Within this time frame, the data have been compiled especially for the use of

the Ministry of Finance for the preparation of the budget and parliamentary discussion concerning the budget proposal.

The publication of annual balance of payments data is in September, when the most important source data are available.

Annual national accounts data have been published for the third time in January, with a lag of 13 months, when the latest annual data, as well as the previous year's supply and use tables data are available. Annual data have been compiled for the fourth time in July, with a lag of good 18 months.

The supply and use tables have been usually published nationally with a lag of 24 months. Final annual national accounts data are harmonised with data of the supply and use tables in January with a lag of 25 months.

## **Revised publication schedule for national accounts and balance of payments from 20 June 2019**

In the ongoing development project for national accounts, the publication times for and contents of annual national accounts are revised. The most important aims of the development project for national accounts are to integrate the publication and revision times of national accounts and balance of payments, and to better comply with international guidelines, for example, the harmonised European revision policy (HERP). In addition, the objective is also to unify the publication times and data content of quarterly and annual data and the different subsets of national accounts. The aim is to implement these revisions during 2019 and 2020.

In accordance with HERP the publication of annual national accounts will be scheduled in March, June, September and December. The national publication times in January and July will be abolished.

Monthly and quarterly publications are scheduled in national accounts and balance of payments as before, so in this paragraph the focus lies on the new publication times for annual national accounts.

However, the first preliminary annual national accounts on the previous year's data will be published as before with a lag of 75 days, including data on sector accounts and updated data on demand and supply.

After the above-mentioned first preliminary annual national accounts published at the beginning of the year, annual national accounts methods and detail level will no longer be completely followed (as was the case before). Instead the preliminary annual data will mainly be revised as sums of quarterly data. This is a way to be applied in June, September and December, while the annual data sources will be used when they become available during a year. The general government sector is the only one, where the compilations are partly based on annual compilation methods already starting from March.

In June, the preliminary annual data will be revised in terms of the government sector, investments and enterprise data. The data are utilised, for instance, in the government's budget proposal, which is considered in the parliament in the autumn period. The publication of annual balance of payments data is still in September, when the main data sources are available. Data on consumption and general government are also revised in September.

When all data sources for annual accounts are final and available, data on annual national accounts are compiled based completely on annual accounts methods and on a detailed breakdown by industry (NACE). Detailed data by industry are published with



a lag of around 15 months in mid-March. The aim is to utilise these data as the basis for the compilation of next year's preliminary data.

The supply and use tables will be published with a lag of 23 months. The final annual accounts data are harmonised with data of the supply and use tables in March with a lag of 27 months.

The revised revision policy strives to consider the needs of both national and international data users. Finland's new policies comply completely with the ESA 2010 transmission programme and with the requirements of the EDP and GNI regulations as well as BPM6 manual and ECB's guidelines. The aim is to also consider the needs of national users, especially in the timing of the compilation rounds for March and June and with the quality of data content.

### **Special remarks concerning the revised publication timetable of national accounts and balance of payments**

There will be two significant changes for the publication timetables in Finland. First, the revisions of preliminary annual national accounts will take place at the same time with the publication of quarterly sector accounts. Secondly, the length of annual revisions is limited at the maximum to four previous years as recommended in HERP.

In the new publication rhythm of national accounts, the data will be revised four times a year: in March, June, September and December. In March three previous years will be revised. In June and September two previous years and in December only the previous year will be revised. Balance of payment data, on the other hand, will be revised in March and September concerning the two previous years. The annual data of balance of payments is the sum of the quarters and is thus consistent with the quarterly data. National accounts and balance of payments data will be consistent in each quarter concerning the current accounts. As regards to the financial accounts and the international investment position there is an on-going development work to minimize the discrepancies by the end of 2020.

In quarterly national accounts, quarterly sector accounts and financial accounts, the practice to revise the whole time series in connection with every publication will be discontinued. Instead of revising the whole time series, only data for the current year and last four years will be updated. The exception to this practice will be the publication in September, when the whole time series can be updated. Thus, the procedure complies with the guidelines of HERP.

In addition to these two changes, the EU regulation on general government deficit and debt (EDP) reporting has to be taken into account. EDP data is reported twice a year, at the end of March and September. The government finance data might need to, in accordance with the requirements of the EDP regulation, be updated in the end of March and September even after the publication of annual national accounts data, when necessary. Eurostat reviews and validates the data on deficit and debt provided by the Member States and can during this validation procedure require changes to the data provided or even unilaterally amend data. Therefore, there may arise a need to revise already published data on general government. In this case, the revised data on general government is published with a lag of around 110 days.

The possible revision of other data published in national accounts, because of Eurostat's process of validating the EDP data, is, as a rule, made in connection with the compilation of the following quarter (that is, in May to June or November to December). If the changes have a significant impact on the overall picture of the economy in size or content, the revisions to national accounts will be made immediately as a correction of previous statistical publications. The significance of the changes will be assessed case by case.

The revised publication schedule aims to bring clarity to the publication times of national accounts and balance of payments. The pacing of quarterly and annual publications to the same times improves the consistency of the data content in different subsets of national accounts. However, there is still a difference of nearly a month in the publication times of quarterly data (QNA and QSA). This is due to the provision of the ESA 2010 transmission programme, where different national accounts subsets have separate transmission dates.

The quarterly national accounts are revised with a lag of 60 days and the quarterly sector accounts with a lag of 80 days (excluding the first quarter with a lag of 75 days in mid-March). Annual data is revised quarterly in connection with the publication of quarterly sector accounts. This means, that quarterly national accounts data is revised again in each quarter with a lag of 75 or 80 days. Between the time of publication of these two quarterly data sets, important source data is received, which might have an impact on GDP.

The long-term goal of the national accounts and balance of payments in Finland is to accelerate both the availability of critical source data and the compilation processes of national accounts and balance of payments, in order to gain access to annual and quarterly data affecting demand and supply already in time for the compilation of quarterly national accounts, that is, with a lag of 60 days from the end of the quarter.