

National accounts

Current definitions

Actual social security contributions by employees

The payments made by employees and self-employed to social security institutions for their own benefit, in order to guarantee social security services. These payments include all obligatory and voluntary contributions (additional social security) for insurance against illness, maternity, invalidity, old age and survivors' pensions, unemployment, industrial accidents and diseases and for family benefits (compare: European System of Accounts, ESA1995).

Actual social security contributions by employers

The payments made by employers, for the benefit of their employees, to social security institutions. These payments include all obligatory, contractual and voluntary contributions for insurance against illness, maternity, invalidity, old age and survivors' pensions, unemployment, industrial accidents and diseases and for family benefits (compare: European System of Accounts, ESA1995).

Added value

The aggregate that shows the growth of the economic system in terms of new goods and services made available to the community for final use. It is the result of the difference between the production value of goods and services created by individual productive branches and the value of the intermediate goods and services consumed by them (raw and auxiliary materials used and services provided by other productive units). It corresponds to the sum of revenue from productive factors and depreciation. It may be calculated at basic prices, production prices or factor costs.

Added value at basic prices

The balance of production and intermediate consumption, in which production is valued at basic prices, i.e. net of taxation on products and before subsidies on products (compare: European System of Accounts, 1995).

Available gross national income

The aggregate that expresses the economic results achieved by the productive factors resident in the country. The value is equal to GDP plus the balance of the national economy and the rest of the world, indirect taxation on production and imports, subsidies on production, income from employment, capital and business gains and current unilateral transfers. It represents the revenue that the country can use for final consumption and savings.

Basic price

The price that a producer can get for one unit of product or service, less any taxation due on the unit as a consequence of its production or sale (i.e. product taxation, such as VAT), but including any subsidies due on the unit as a consequence of its production or sale (i.e. subsidies on products). Production and added value are the two aggregates recorded at basic prices.

Chained values

These represent the volume of national account aggregates obtained through the annual updating of the price system. The series chained on a level are derived from the series expressed in prices from the previous year (for example, 2009 estimates are based on 2008 prices, 2007 estimates on 2006 prices and so on), and are obtained by extrapolating the current value of the aggregate in the year

chosen as reference (the year 2000 in the current version of accounts) using the chained volume index. The measurements of volume obtained with the chaining technique present growth rates that more closely represent the real economic dynamics. The new method of chained indexes has substituted the previous fixed base system used until 2004.

Cost of labour per product unit

Calculated as the relation between the cost of labour, employed or self-employed, and production at factor costs calculated with chained values (reference year 2000).

Current balance

When referring to public accounts, this is equal to the difference between fiscal and other revenue and total spending. It may result in a surplus (if positive) or deficit (if negative).

Depreciation

The loss of value undergone by fixed assets (machinery, plants, transport vehicles, etc.) during the course of the year due to physical wear and tear, obsolescence (loss of economic value in capital assets due to technical progress incorporated in new assets) and insured accidental damage (fire, accident, shipwreck, etc.). The concept of economic depreciation is different from that of fiscal or financial depreciation in a wider sense.

European System of Accounts (ESA)

In 1970 the statistical office of the European Community (Eurostat) adopted a harmonised accounting system: ESA. In 1995 this system was modified in line with the new SNA93 system of accounts drawn up by the UN and other international institutions, including Eurostat itself. ESA95 allows for a complete and comparable quantitative description of the economy in member states of what is now the European Union (EU) through an integrated system of flow and capital accounts defined for the entire economy and for groups of economic operators (institutional sectors). ESA95 concepts and definitions are used in the reconstructed time series from 1970 onwards.

Exports

Transfers of goods and services by resident to non-resident operators (abroad). Exports of goods include all goods (national or nationalised, new or used) which, on payment or free of charge, leave the country's economic area for the rest of the world. Exports of services include all services (transport, insurance, etc.) provided by resident to non-resident units.

These are valued at FOB value (*Free on board*), which corresponds to market price at the border of the exporting country, including: price ex-works, sales margins, international shipping costs and any customs due on exports.

Factor cost

When estimating the value of aggregates, factor cost excludes all taxes and includes contributions, for both products and production. In the case of added value and production, the value is calculated by subtracting other taxation on production net of subsidies from the figures at basic prices.

Final consumption

The value of the goods and services used to directly meet human needs, either individual (final household consumption) or collective (final consumption of public authorities or private social institutions). Consumption is divided into:

- internal final consumption by resident and non-resident units, which occurs in the economic area of the country;
- domestic final consumption by resident units, which occurs in the country's economic area and in the rest of the world.

Gross capital formation

The value of tangible assets acquired by productive units that will produce income in a subsequent financial period. These include: fixed capital formation; variations in inventory; acquisitions less

disposals of objects of value. Gross capital includes depreciation, while net capital excludes it.

Gross domestic product at market prices (GDP)

The final result of productive activities of resident production units. This value corresponds to the total production of goods and services in the economy, less intermediate consumption and in addition to VAT and indirect taxation on imports. It is also equal to the sum of the added value to basic prices in the various branches of economic activity, plus product taxation (including VAT and import taxation), net of subsidies on products.

Gross fixed capital formation

Formed by acquisitions (net of disposals) of fixed assets by resident producers, in addition to the rise in value of non-produced tangible assets. Fixed capital consists of tangible and intangible assets (e.g. software) destined for use in productive processes for a period of more than one year.

Gross operating results

Represents (together with mixed income) the part of added value produced destined to remunerate the productive factors other than employees used in the production process. For the household sector, the operating result exclusively includes revenue from activities associated with production for personal consumption (including the value of imputed rent and ordinary maintenance for owner-occupied accommodation and the value of household staff and concierge services).

Gross (or net) national income at market prices (GNI)

Represents the total amount of primary income from resident institutional units: income from employment, taxation on production and imports net of subsidies, capital gains (less costs), operating result (gross or net) and mixed income (gross or net). The value is calculated adding income from employment to GDP in addition to capital and business gains received from the rest of the world and subtracting the corresponding flows towards the rest of the world.

Gross salaries and wages

Includes salaries, wages and accessory remuneration in money or in kind, before taxation and social security contributions, paid directly to employees on a regular basis, as set out in contracts, company agreements and current legislation.

Imports

Purchases from abroad (rest of the world) of goods and services, brought into the country. Imports of goods include all goods (new or used) that, either on payment or free of charge, enter the country's economic area from the rest of the world. Imports of services include all services (transport, insurance, other) provided by non-resident units to resident units. These are valued at FOB value (*Free on board*), which corresponds to the market price at the border of the exporting country (see exports).

Imputed social security contributions by employers

The equivalent of social security services provided directly by employers to their employees, former employees or other entitled parties, without passing through social security institutions. These include, for example, pensions provided to former civil servants, family benefits paid to civil servants, etc. Their value is estimated to be equal to the services provided net of actual social security contributions paid by employees (compare: European System of Accounts, ESA1995).

Income from employment

The cost sustained by employers in the form of remuneration for their employees' activity. The overall amount of income from employment includes both gross salaries and actual and/or imputed social security contributions.

Institutional unit

Elementary economic decision-making centre. A resident unit constitutes an institutional unit if it has decision-making autonomy in the exercise of its principal function and either keeps a complete set of

accounts or it can, from both an economic and legal viewpoint, create a complete set of accounts if they are required.

Institutional sector

A group of institutional units with a similar economic behaviour (financial and non-financial companies, households, public authorities, private social institutions and the rest of the world).

Intermediate consumption

The value of the goods and services consumed as input in a production process, excluding fixed assets whose consumption is recorded as depreciation. The goods and services may be transformed or used up during the productive process.

Labour productivity

The relationship between the entire production value achieved and the volume or quantity of labour (number of workers and/or hours worked) involved in production. In general, national accounts calculate labour productivity using added value to the factor cost of total labour units.

Mixed income

The balance of the account of the generation of primary income, in the case of individual family-run companies. Implicitly includes the remuneration of work performed by the owner and members of their family, which may be distinguished from the profits made by the owner as entrepreneur.

Net debt

The balance of public sector economic accounts, both current and capital accounts, excluding financial transactions. The relationship between net debt, calculated according to an accruals basis, and GDP represents the reference parameter for the excessive deficit procedure (EDP) within the European Union.

Non-profit organisation (private or public)

Legal-economic institution with or without legal personality, either public or private, which produces goods and services which may or may not be destined for sale and which, according to current legislation or regulations, cannot distribute, even indirectly, profits or other income other than remuneration for the work performed by its founders or shareholders. Some examples of private non-profit organisations include: foundations, non-governmental organisations, volunteer organisations, social cooperatives and other socially useful NPOs, political parties, trade unions, legally recognised religious institutions, religious organisations including dioceses and parishes.

Primary balance

The difference between spending, net of interest, and revenue in the public administration sector. The value may be calculated subtracting interest liabilities from net debt.

Producer price

The price that a producer can get for one unit of a product or service, including any taxation on the unit as a consequence of its production and sale (i.e. taxation on products, excluding VAT and importation taxes), but excluding any subsidies due on the unit as a consequence of its production or sale (i.e. subsidies on products).

Production (of goods and services)

The result of the economic activity performed in the country by the resident units in a set period of time. Standardised national accounting schemes establish a distinction between market production of goods and services destined for sale, which is the object of exchange and therefore entails the formation of a market price, and non-market production which is not subject to exchange (production for personal use, public services provided by public authorities and private social institutions). Final production (or gross production), understood as the final result of the productive activities of resident units, is calculated as the difference between the production value of goods and services achieved by productive branches and the value of the intermediate goods and services used by them during the

period considered (intermediate consumption).

Social security contributions

The actual social security contributions due from employers and employees, plus imputed social security contributions from employers (compare: European System of Accounts, ESA1995).

Stock variations

Stock includes all goods that contribute to capital formation but not fixed capital and which are held at a given moment by resident productive units; the variation is measured as the difference between the value of warehouse input and output. Stock includes the following categories: raw material, semi-finished products, goods for resale.

Subsidies on production

Unilateral current transfers from public authorities or EU institutions to resident units that produce goods and services, with the aim of influencing prices and/or ensuring sufficient remuneration from productive factors. Subsidies are divided into:

- subsidies on products: granted for each unit of goods or services produced or imported; by convention, subsidies on products are exclusively granted for the production of goods and services suitable for sale or for personal final use;
- other subsidies on production: subsidies other than subsidies on products granted to resident production units for productive activities.

Taxation

Obligatory unilateral payments, in money or in kind, imposed by public authorities or EU institutions.

Taxation comes in two forms:

- direct taxation, deducted at source on income and gains;
- indirect taxation, applied to production and imports of goods and services, use of labour, property and use of land, buildings or other goods used in productive activities.