

Press Information Notice

12 August 2020

Benchmark Revision 2020

The National Statistics Office (NSO) will be carrying out a benchmark revision in national accounts data. This benchmark revision will be published on 28 August 2020 and will therefore coincide with the publication of the Gross Domestic Product (GDP) for the second quarter of 2020.

Benchmark revisions (or major regular revisions) are revisions of data sources or methods used to estimate economic indicators that take place recurrently every five to 10 years. The last benchmark revision was carried out in October 2014 which saw the introduction of the European System of Accounts (ESA) 2010.¹ The next benchmark revision will be published in August 2020 for the reference period 1995 to 2020 Q2, as required by the ESA 2010 Transmission Programme. There are around five other European Union (EU) member states which are planning a benchmark revision in 2020. Most of the other EU member states performed a major regular revision in 2019.

The main purpose of the 2020 benchmark revision is to refine national accounts data by including new data sources and estimation methods. Such enhancements continue to improve the accuracy of national accounts data and allow for better international data comparability. Routine revisions will also be included for the reference period 2016 to 2020 Q2, most notably the incorporation of the Structural Business Statistics survey results of 2016.

As a result of these revisions, annual GDP at current prices (nominal) will increase, on average, by around 1.4 per cent between 1995 and 2019. Revisions in nominal GDP will approximately range between 0.1 per cent in 2002 to 3.8 per cent in 2013. With regard to growth rates, GDP growth at will be revised by around 0.0 percentage points (i.e. upward revisions are expected to broadly offset downward revisions), on average, between 1995 and 2019, while revisions to GDP growth in volume terms (real) will also approximately average 0.0 percentage points between 2000 and 2015. In case of the latter, data from 2016 onwards are also being revised, however the results are still preliminary.

The main enhancements that will be brought about by this benchmark revision are listed below.

- The NSO will publish, for the first time, gross value added by industry, taxes and subsidies on products and consumption of fixed capital at previous year's prices and in chain-linked volumes. The upcoming GDP news release will incorporate two additional tables with the GDP identity from the production (output) side in chain-linked volumes. Annual and quarterly data in chain-linked volumes will be available as from the year 2000 onwards;
- In the years leading to this revision, the NSO reviewed the compilation process of the Supply, Use and Input-Output Tables (SUIOT). SUIOTs are a rich source of data and provide an integrated framework for checking consistency and completeness of national accounts data. The SUIOT of 2013, 2014 and 2015 have been compiled and will be published shortly after the GDP news release;

¹ National Statistics Office (2014), 'A New Framework for National Accounts', available at: https://nso.gov.mt/en/nso/Sources_and_Methods/Documents/National_Accounts/A_New_Framework_for_National_Accounts.pdf.

- The NSO implemented the recommendations of the ESA 1995 verification cycle, addressed after the benchmark revision of 2014, and recommendations resulting from the ESA 2010 Gross National Income (GNI) verification cycle;
- New data sources were integrated in the national accounts. These include the 2015 Household Budgetary Survey, the National Tourism Survey for domestic trips, the annual census for open sea fishing, and other administrative sources;
- New estimation methods were implemented for activities of holding companies, renting of non-residential buildings, restaurants and mobile food service and beverage activities, other accommodation, and the quarterly disaggregation of aquaculture and renewable energy generated by households;
- The NSO will publish, for the first time, the cross classification of fixed assets by industry and by asset (stocks), and the non-financial assets balance sheet by institutional sector.

In the news release to be published on 28 August, the NSO will provide comprehensive methodological information related to the benchmark revision, together with national accounts annual time series data from 1995 to 2019 at market prices, and from 2000 to 2019 in chain-linked volumes with 2015 as the reference year. The news release will also include quarterly data for the most recent years, with the entire time series available online from the year 2000 onwards. A more detailed explanation of the methodological, conceptual and data source changes will also be made available.

Further information can be made available upon written request to: nso@gov.mt.