



GROSS DOMESTIC PRODUCT FOR THE FOURTH QUARTER OF 2010 – FLASH ESTIMATES

According to the seasonally adjusted data, the GDP growth rate in the fourth quarter of 2010 is 1.7%, compared with the fourth quarter of the year and 2.1%, compared with the same quarter of the previous year.

The Eurostat Handbook on quarterly National Accounts defines a flash estimates as:

„...the earliest picture of the economy according to national accounts concepts, which is produced and published as soon as possible after the end of the quarter, using a more incomplete set of information than that used for traditional quarterly accounts...”

Flash estimates for GDP in the context of general conditions for the preparation of short – term indicators are based on preliminary short – term information (subject to subsequent update and revisions) expert assessments and models for the components of GDP structure, for which direct basic information at the time of calculation is not available.

Flash estimates of GDP for the fourth quarter of 2010 were prepared within 46 days after the reference period. They are presented in a standard format for publication of quarterly national accounts data - current prices, relative shares of the components in the GDP structure and growth rates as compared with the previous quarter and compared with the same period of the previous year.

According to the Calendar of statistical surveys, NSI will prepare and publish official quarterly estimates of GDP for the fourth quarter of 2010 on 11 March 2011.

GDP in monetary terms, current prices

According to the flash GDP estimates for the fourth quarter of 2010, the GDP at current prices amounted to 19 924 million levs (Table 1). The GDP for 2010 in monetary terms amounted to 70568 million levs.

GVA at current prices amounted to 17 000 million levs. The services sector have the largest share (66.8%) in total value added, followed by industrial sector (28.9%). The agricultural sector constitutes 4.3% of value added in the total economy.

In the structure of GDP by the expenditure approach the largest share in GDP has the final consumption (82.6%), which in nominal terms amounted to 16 444 million levs. In the fourth quarter of 2010 gross capital formation is 5 190 million levs and has a share of 26.0% in GDP. The external balance (exports minus imports) was negative, amounting to minus 1 710 million levs and accounts for 8.6% in GDP.

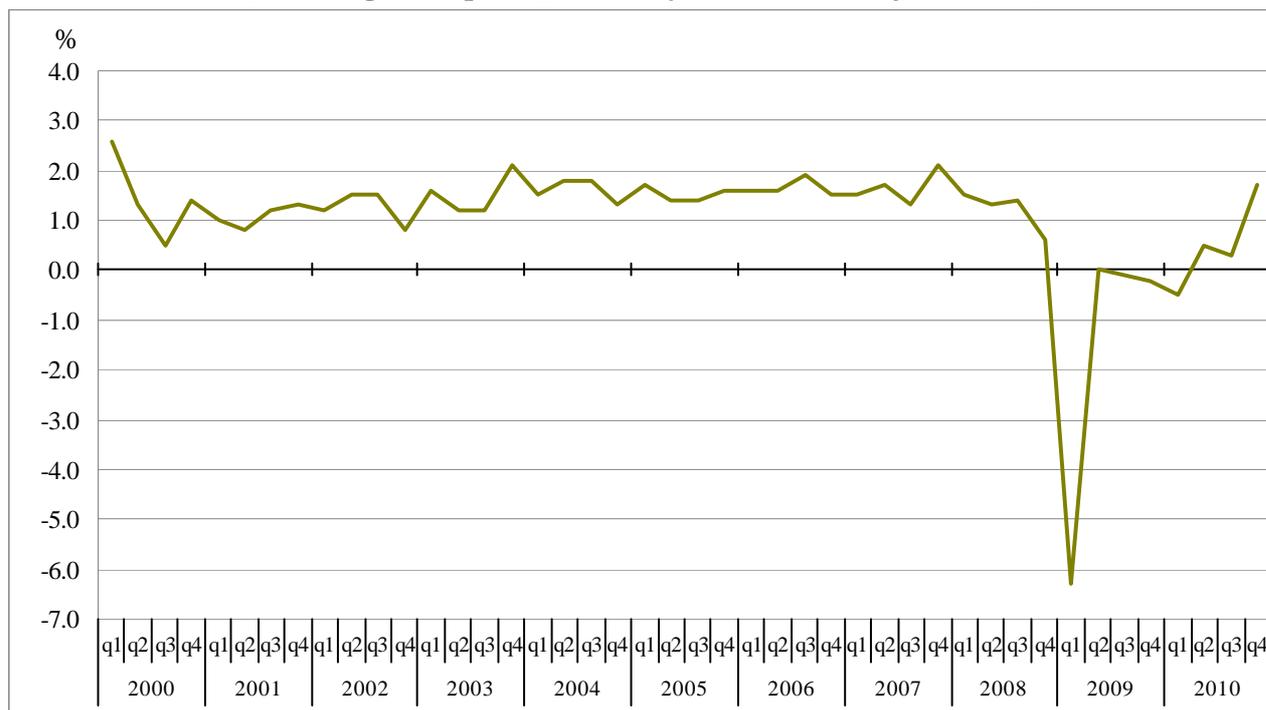


Growth rate of GDP, total and by components

According to the seasonally adjusted data¹, the GDP growth rate in the fourth quarter of 2010 is 1.7%, compared with the previous quarter (Table 2).

Figure 1. GDP growth rates for the period 2000 - 2010, current quarter compared with the previous quarter

(At average 2000 prices, seasonally and calendar adjusted data)

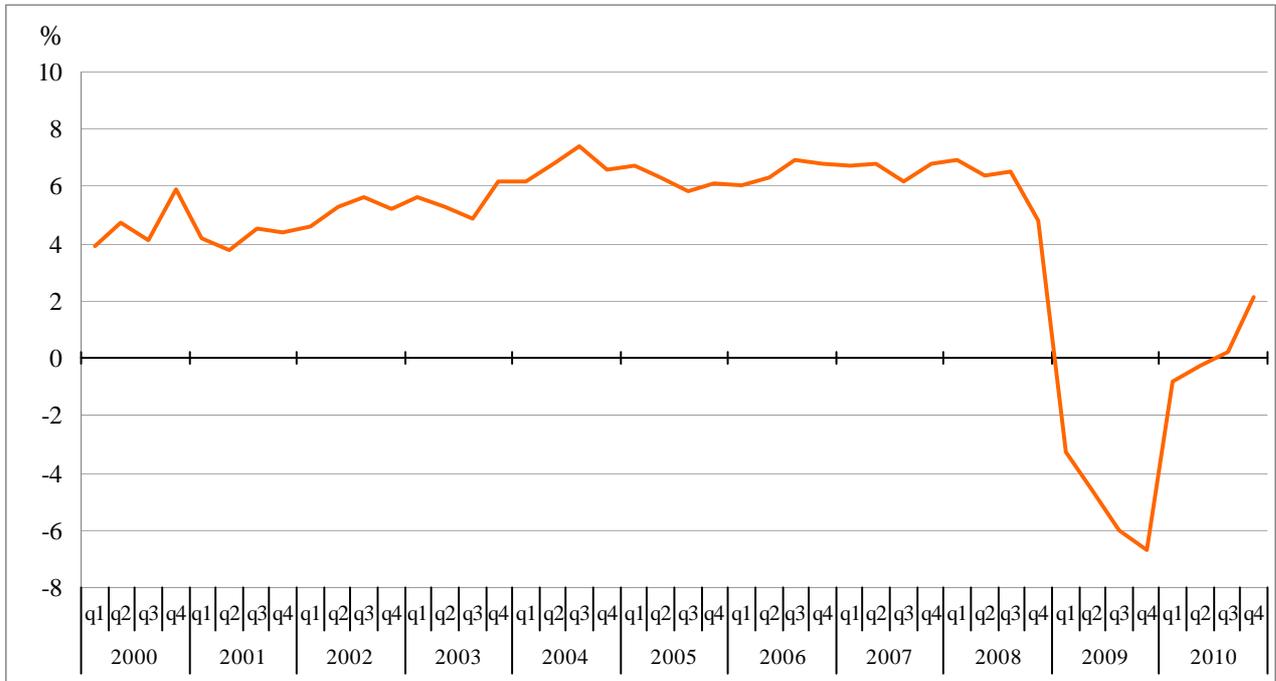


In comparison with the same quarter of the previous year, the real GDP in the fourth quarter of 2010 rose by 2.1%.

¹ Seasonal adjustment of statistical indicators in the NIS is organized in accordance with [ESS Guidelines on Seasonal Adjustment](#). The seasonal adjustment of GDP data is made with the help of Demetra software, where the TRAMO / SEATS algorithm is applied. The set of variables for seasonal adjustment covers gross value added and gross domestic product by industry and GDP components from the expenditure side. For more information, see "[Quarterly seasonally adjusted data](#)".



Figure 2. GDP growth rates for the period 2000 - 2010, current quarter compared with the same quarter of the previous year
(At average 2000 prices, seasonally and calendar adjusted data)



GDP for 2010, obtained as sum of quarterly figures, increased in real terms by 0.3% compared to 2009.

Quarter-on-quarter growth rates

In the fourth quarter of 2010 gross value added of the total economy increased by 0.4%, compared to third quarter of the year.

According to flash estimates of GDP by final expenditure, in fourth quarter of 2010 for the first time during the year final consumption expenditure and gross capital formation recorded an increase by respectively 4.1% and 2.8%. Unlike previous quarters of the year, exports of goods and services in the fourth quarter decreased by 3.9% compared to the previous one. During the same period, imports of goods and services increased by 2.3% over the previous quarter.

Growth rates on annual basis

During the fourth quarter of 2010 gross value added increased by 0.8% compared to same quarter of previous year. The indicator's movement is determined mainly by the increase recorded in the agricultural sector (4.8%) and industry (3.6%). Services have a negative contribution to value added with a decline of 1.8% over the period.

As regards the expenditure component of GDP, a major contributors to registered positive economic growth of 2.1% are collective consumption and exports of goods and services, which increased by respectively 11.3% and 10.7%. Final consumption and gross capital formation recorded a decline compared to the corresponding quarter of previous year by 1.3% and 2.1%, respectively.



ANNEX

Table 1

Gross Domestic Product 2010, Fourth quarter and Year

(Unadjusted data)

		Fourth quarter of 2010			2010		
		Value at current prices	Share		Value at current prices	Share	
			in GVA	in GDP		in GVA	in GDP
		Million Levs	%	%	Million Levs	%	%
1	Gross Value Added by economic sector (2+3+4+5):	17 000	100.0	85.3	60 765	100.0	86.1
2	Agriculture	736	4.3	3.7	3 670	6.0	5.2
3	Industry	4 908	28.9	24.6	18 166	29.9	25.7
4	Services	11 356	66.8	57.0	38 929	64.1	55.2
5	Adjustments	2 924		14.7	9 803		13.9
6	Gross Domestic Product (1+5=7+10+13+16)	19 924		100.0	70 568		100.0
	By final use components:			100.0			100.0
7	Final consumption (8+9)	16 444		82.6	55 223		78.3
8	Individual	14 627		73.5	49 649		70.4
9	Collective	1 817		9.1	5 574		7.9
10	Gross capital formation (11+12)	5 190		26.0	16 590		23.5
11	Gross fixed capital formation	4 852		24.3	15 670		22.2
12	Change in inventories	338		1.7	920		1.3
13	Balance (exports - imports) (14-15)	-1 710		-8.6	-1 245		-1.8
14	Exports of goods and services	10 100		50.7	40 029		56.7
15	Imports of goods and services	11 810		59.3	41 275		58.5
16	Statistical discrepancy	-		-	-		-



Table 2

Growth rates of GDP component¹

(At average 2000 prices, seasonally and calendar adjusted data)

(Per cent)

		Growth rate, current quarter compared with the previous quarter				Growth rate, current quarter compared with the same quarter of the previous year			
		2010				2010			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Gross Value Added by economic sector:	-0.3	0.5	-0.4	0.4	0.1	0.4	0.0	0.8
2	Agriculture	3.6	-0.4	0.5	0.4	7.0	5.5	3.0	4.8
3	Industry	1.7	0.3	-2.5	2.7	1.1	1.0	-1.3	3.6
4	Services	-0.6	0.1	-0.8	-0.2	-2.5	-1.6	-1.4	-1.8
5	Adjustments	-2.1	0.2	1.7	6.8	-6.5	-4.7	-1.9	4.4
6	Gross Domestic Product	-0.5	0.5	0.7	1.7	-0.8	-0.3	0.5	2.1
	by final use components:								
7	Final consumption	-1.0	-0.6	-2.7	4.1	-4.5	-4.3	-6.4	-1.3
8	Individual	-1.1	-0.5	-2.6	4.3	-3.5	-3.7	-5.9	-1.4
9	Collective	26.5	-3.9	-1.1	-7.4	-3.9	-8.9	-7.8	11.3
10	Gross capital formation	-1.2	-1.3	-0.7	2.8	-12.5	-12.0	-4.9	-2.1
11	Gross fixed capital formation	3.8	-3.0	0.0	2.9	-19.9	-15.6	-5.3	4.7
12	Change in inventories	.	.	.	.	.	.	.	.
13	Balance (exports - imports)	.	.	.	.	.	.	.	.
14	Exports of goods and services	1.7	3.9	8.9	-3.9	5.5	12.6	18.5	10.7
15	Imports of goods and services	4.0	2.7	-1.3	2.3	-2.8	0.3	3.0	6.9
16	Statistical discrepancy	.	.	.	.	.	.	.	.

¹ The growth rate is calculated by using chain-linked estimates of the GDP components based on average 2000 prices. Detailed information could be found at the thematic rubric "Gross domestic products", methodology:

[Price and Volume Measures](#)

[Quarterly seasonally adjusted data](#)