



METHODOLOGICAL DOCUMENT RELATED MAIN REVISION ON ANNUAL GROSS DOMESTIC PRODUCT NEWS RELEASE

Introduction

The National Accounts System is a system established to measure a country's economic and financial activities, components of economy and relations between economic actors in a specific period. Gross domestic product (GDP) is the most important and the basic key statistics of the System of National Accounts (SNA). Independent annual GDP accounts are obtained separately on the basis of annual complete and absolute data (Balance sheets, income statements, accrual data of government etc.) The national accounts system is at the centre of macroeconomic statistics and allows to analyse economies, is not only dependent on a single data source, but also is a system in which both administrative records and all titles included in the statistics system are integrated. The system is balanced by analysing all data sets related to each variable calculated in this system. For this reason, the entire system is affected by a revision that occurs in one element of the system.

In that context, National Accounts System have been revised due to the revisions which were published in 2020 in Foreign Trade Statistics (FTS) (the transition from the Special Trade system to the General Trade system), International Trade in Services Statistics (ITSS) and Balance of Payments Statistics (BOP).

Reasons of the main revision

Foreign trade statistics started to be published in accordance with the general trade system at a detailed level with the January 2020 Press Release in 28 February 2020. Foreign trade statistics according to the general trade system are currently used in economic statistics such as balance of payments and national accounts. According to the definition of general trade system the inclusion of warehouses in the calculations is the main issue causing the revision under this title. In addition, the statistics for the period 2013-2019, which were published according to the general trade system last year, were revised with the data obtained from the documents and forms prepared for foreign trade transactions. Revised data was published in the related tables of "Foreign Trade Statistics January 2020 Press Release" in 28 February. This has caused a revision in the Balance of Payments Statistics and accordingly in the National Accounts System.

TurkStat has started to work on methodological background of the ITSS Survey and then pilot studies have been carried out for the reference years of 2013-2015. As of 2016 reference year, a research structure in which administrative records were used more effectively was designed. Field applications were carried out in 2017-2019 for the 2016-2018 reference years. Especially after 2016, the Value Added Tax (VAT) data on the basis of enterprises and data of the custom declarations has

been used to determine the survey framework in an effective and accurate manner. On March 5, 2020, "International Service Trade Statistics" press release was published for the first time by TurkStat. In that context, BOP statistics have been revised for the years 2013-2019 regarding to the two main subjects ITSS and FTS in the January 2020 Balance of Payments Statistics that was published on March 11, 2020. Balance of Payments statistics including International Trade in Services Statistics (ITSS) have been revised using the administrative records of Turkish Revenue Administration for the period of 2013-2015 and year-2019 and the results of the ITSS Survey for the period of 2016-2018.

The integration of these revisions, which are reflected in the Balance of Payments Statistics by the Central Bank of the Republic of Turkey (CBRT), into the National Accounts System is important for ensuring consistency between the "National Accounts System" and the "Balance of Payments Statistics".

The Length of the Main Revision

The revision process is carried out starting from the first quarter of 1998 until the second quarter of 2020.

The Depth of the Main Revision

The current and chained linked volume for the annual and quarterly GDP production and expenditure method components, and the quarterly and annual current values for the income method components are revised.

Impacts of the Main Revision

As a result of the revision study, GDP at current prices has been revised by an average of 0.7%. The effect of this revision on the rate of change in volume was realized as 0.037 on average.

Table 1 Revisions in total GDP

Year	GDP in Current Prices (Million TRY)				GDP in volume change (%)	
	Before Revision	After Revision	Rev. Difference	Difference in level (%)	Before Revision	After Revision
1998	71.893	71.945	52	0.1%	-	-
1999	107.164	107.374	210	0.2%	-3.4	-3.3
2000	170.667	171.494	827	0.5%	6.6	6.9
2001	245.429	247.266	1.837	0.7%	-6.0	-5.8
2002	359.359	362.110	2.751	0.8%	6.4	6.4
2003	468.015	472.172	4.157	0.9%	5.6	5.8
2004	577.023	582.853	5.829	1.0%	9.6	9.8
2005	673.703	680.276	6.573	1.0%	9.0	9.0
2006	789.228	795.757	6.530	0.8%	7.1	6.9
2007	880.461	887.714	7.254	0.8%	5.0	5.0
2008	994.783	1.002.756	7.974	0.8%	0.8	0.8
2009	999.192	1.006.372	7.181	0.7%	-4.7	-4.8
2010	1.160.014	1.167.664	7.651	0.7%	8.5	8.4

2011	1.394.477	1.404.928	10.450	0.7%	11.1	11.2
2012	1.569.672	1.581.479	11.807	0.8%	4.8	4.8
2013	1.809.713	1.823.427	13.714	0.8%	8.5	8.5
2014	2.044.466	2.054.898	10.432	0.5%	5.2	4.9
2015	2.338.647	2.350.941	12.294	0.5%	6.1	6.1
2016	2.608.526	2.626.560	18.034	0.7%	3.2	3.3
2017	3.110.650	3.133.704	23.054	0.7%	7.5	7.5
2018	3.724.388	3.758.316	33.928	0.9%	2.8	3.0
2019	4.280.381	4.320.191	39.810	0.9%	0.9	0.9

Note: 2019 Independent Annual GDP press release is published in 31 August 2020 at the first time. Therefore, 2019 GDP figures also have revisions of independent annual GDP estimates.