

NATIONAL ACCOUNTS REVISION POLICY

Revisions are an integral part of the statistical process in the production of National Accounts, in order to incorporate any new developments stemming from the continuously changing economic environment. At the same time new data requirements, or new regulations, could lead to the adoption of new methodologies, or the introduction of new classifications.

There are two important types of revisions, which represent the core of National Accounts compilation, namely (i) routine revisions and (ii) major revisions.

Routine revisions

Routine revisions include all changes for a particular period, that are in principle based on any changes that might occur in the data sources, or the adoption of the last available data. Their purpose is to achieve full comparability in volume and price changes with the previous year and for all data of a certain time period. The necessity for these revisions is arising as new data is made available between data transmissions.

In the case of the quarterly accounts, the revision policy varies by quarter, as described in Table 1 below. In general, routine revisions for the quarterly data are due to (a) Revisions due to changes in the annual accounts; (b) Revisions due to changes/revisions in the short-term indicators used; (c) Revisions due to the replacement of forecasts with indicators that become available.

The availability of data dictates also the revision of the annual national accounts results. The first annual estimates for the last completed year (T-1) are compiled in March of the following year and are considered provisional. These estimates are based on the quarterly indicators, as well as administrative sources. The final estimates are published in September, 21 months after the end reference year, when the annual economic surveys, which are the main source, become available (18 months after the end of the reference year).

Table 1: Timetable for revising and finalising National Account estimates (Routine Revisions)

<i>Year T</i>	<i>Revision</i>	<i>Basis for calculation</i>
March	<ul style="list-style-type: none"> ▪ First estimate of the fourth quarter of previous year T-1 (70 days after the reference quarter*) ▪ Possible revision of the last 7 published quarters 	<ul style="list-style-type: none"> ▪ Monthly and quarterly short-term economic indicators
	<ul style="list-style-type: none"> ▪ First estimate of <u>annual</u> figures for the previous year, T-1 ▪ Routine revisions on year T-2 	<ul style="list-style-type: none"> ▪ Sum of four quarters for first estimate of year T-1 ▪ Revised information from administrative sources (i.e. Government Finance Statistics (GFS), Central Bank of Cyprus (CBC))
June	<ul style="list-style-type: none"> ▪ First estimate of the first <u>quarter</u> of the current year T 	<ul style="list-style-type: none"> ▪ Monthly and quarterly short-term economic indicators
September	<ul style="list-style-type: none"> ▪ First estimate of the second <u>quarter</u> of current year T ▪ Possible revision of the last 9 published quarters 	<ul style="list-style-type: none"> ▪ Monthly and quarterly short-term economic indicators
	<ul style="list-style-type: none"> ▪ Finalisation of <u>annual</u> figures for year T-2 ▪ Revised estimates for annual figures for the previous year T-1 	<ul style="list-style-type: none"> ▪ Incorporation of annual economic surveys data, final data from administrative sources (i.e. GFS, CBC), extrapolation of household consumption expenditure (based on trade statistics, imports of goods, economic indicators) ▪ Updated information from administrative sources and revised short-term economic indicators
December	<ul style="list-style-type: none"> ▪ First estimate of the third <u>quarter</u> of current year T ▪ Possible revision of the last published quarter 	<ul style="list-style-type: none"> ▪ Monthly and quarterly short-term economic indicators

**Note: Cyprus has a derogation to transmit quarterly data 70 days after the reference quarter, instead of 2 months. This derogation expires in 2020.*

Major Revisions

Major, or benchmark revisions, which are made every five years (in September), include any revisions made to the NA data, mainly due to methodological changes, or significant changes in data sources. In particular, these revisions include:

- Integration of new methodologies or introduction of new classifications (i.e. ESA 2010, transition to NACE Rev.2)
- Treatment of action points, as well as specific and transversal reservations, based on Eurostat guidelines
- Incorporation of important statistics that is available only every few years (e.g. Household Budget Survey every five years, Population Census every ten years)
- Introduction of new data sources

For consistency reasons, and in order to avoid any break in the time series, revisions as mentioned above, are extrapolated backwards from 1995, when applicable.

The exact dates for publication of the quarterly and annual National Accounts are announced in advance in CYSTAT website, under the release calendar.

REVISION POLICY FOR THE ANNUAL FINANCIAL ACCOUNTS (AFA)

AFA are transmitted by the end of September (first transmission of data for year T-1). The revision policy is in accordance with the Harmonized European Revision Policy and routine revisions may occur for the entire time series, if necessary.

AFA are consistent with the Quarterly Financial Accounts (QFA), which are compiled by the Central Bank of Cyprus. Any routine revisions, that occur in the quarterly data are adopted in the AFA in the September transmission. In case where QFA transmitted in October, include changes for previous quarters of years T-1 to T-3, AFA are retransmitted in order to ensure consistency between the two datasets.