

# National Accounts for 2014: Notice on Usage

1. The current Japanese National Accounts (hereafter, JSNA) are compiled, in principle, based on the System of National Accounts 1993 (hereafter, 1993SNA), the international standard recommended by the United Nations in 1993.<sup>1</sup>
2. In annual compilation of JSNA, the figures for the latest year (both fiscal and calendar) are estimated as “Annual estimates,” with the figures for the previous year (both fiscal and calendar) being re-estimated as “Fixed estimates” that reflect newly available source data. In this “National Accounts for 2014,” the figures for 2014 and 2013 are estimated as Annual estimates and Fixed estimates, respectively.
3. In the “National Accounts for 2014” in addition to incorporating newly available source data, some changes to the estimation methods have been introduced as follows;

## (1) Reflecting the consumption tax rate hike

The estimation methods are adjusted, as necessary, to reflect the hike of consumption tax rate from 5 percent to 8 percent in April 2015. Particularly, output values for the following commodities are adjusted; (i) commodity whose shipment value is extrapolated using the quantity index multiplied by price index, where the latter is not affected by the rate hike (e.g. wage index), (ii) commodity whose turnover is estimated by using source statistics that exclude the consumption tax.

## (2) Reflecting the revision of balance of payment statistics

In the “annual revision” of “Balance of Payments” and “International Investment Position” (Ministry of Finance and Bank of Japan), the figures before 2013 are retroactively corrected<sup>2</sup> and the figures for 2014 are updated. JSNA incorporates the revision for 2014 and the retroactive correction. Please refer to the following table for the correction made in the source statistics.

| Contents of the retroactive correction in<br>"Balance of Payments" associated statistics                          | Period   |
|---|--|
| "Balance of Payments"<br>Services balance / Transport (receipt) <sup>3</sup>                                      | CY2010 – CY2012  |
| "Balance of Payments"<br>Assets / Bonds<br>Assets / Lending   | CY2008 – CY2013<br>CY2012 – CY2013   |
| "International Investment Position"<br>Assets / Bonds<br>Assets / Other assets<br>Liabilities / Other liabilities | The end of 2011 – 2013<br>The end of 2012 – 2013<br>The end of 2012 - 2013 |

<sup>1</sup> JSNA will implement the System of National Accounts 2008 (2008SNA), the latest international standard for national accounts by the end of FY2016 as part of the next benchmark year revision, which will reflect the Input-Output Table for 2011 and other key source statistics. Therefore, estimation based on 2008SNA will be conducted from Annual Report on National Accounts for 2015 whose results will be published after December 2016.

<sup>2</sup> Please refer to the following URL for detail.

[http://www.boj.or.jp/statistics/outline/notice\\_2015/not150408a.htm/](http://www.boj.or.jp/statistics/outline/notice_2015/not150408a.htm/)

<sup>3</sup> This correction is already reflected in Quarterly Estimates for GDP. Refer to following URL for detail.

<http://www.esri.cao.go.jp/jp/sna/data/reference1/siryou/2015/pdf/announce201504282.pdf>

### **(3) Classification of Government Affiliated Organizations**

The classification of government affiliated organizations reflects the establishment, abolishment and consolidation of government agencies during FY 2014. The followings are the major examples.

(A) The organization newly classified as central government:

The Special Account for Stable Supply of Food (Staple Food Control Account and Business Account)

(B) The organization newly classified as local government:

Japan Agency for Local Authority Information Systems

(C) The organizations newly classified as public financial institution:

The Special Account for Stable Supply of Food (Agricultural Mutual Aid Reinsurance Account, Fishing Boat Reinsurance Account, and Fishermen's Mutual Aid Account)

Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development

(D) The organizations newly classified as public non-financial institution:

The Special Account for Safety of Motor Vehicle (Airport Improvement Account)

Japan Community Health care Organization