

National Accounts for 2016: Notice on Usage

1. The current Japanese National Accounts (hereafter, JSNA) are compiled, in principle, based on the System of National Accounts 2008, the international standard adopted by the United Nations in 2009.
2. In the annual compilation of JSNA, the figures for the latest year (both fiscal and calendar) are estimated as “First Annual Estimates,” while the figures for the previous year (both fiscal and calendar) are estimated reflecting newly available source data as “Second Annual Estimates.” In addition, the figures for a year before Second Annual Estimates (both fiscal and calendar) are re-estimated as “Third Annual Estimates” through the balancing process between production side and expenditure side under the framework of Supply-Use Tables (SUT).
3. In the “National Accounts for 2016,” in addition to incorporating newly available source data, some changes to the estimation methods have been introduced as follows;

(1) Incorporating the new weights for integrating supply-side and demand-side estimates

In the quarterly estimates of GDP, the supply-side and demand-side estimates are integrated for compiling the consumption of household and private non-residential investment. Based on the past data, the weights expected to minimize differences between the quarterly estimates and the annual estimates, have been recalculated¹. As the new weights have been incorporated, the following data series including GDP for fiscal years and quarters have been revised from 1994.²

Tables Including the Data Revised from 1994	
Flow	
I. Integrated Accounts	
Gross Domestic Product Account	
National Disposable Income and its Use Account	
Capital and Financial Accounts	
II. Income and Outlay Accounts classified by Institutional Sectors	
Total Economy	
Households (Including Private Unincorporated Enterprises)	
III. Capital and Financial Accounts classified by Institutional Sectors	
Non-financial Corporations	
Financial Corporations	
Households (Including Private Unincorporated Enterprises)	
IV. Main Time Series	
1. Gross Domestic Product (Expenditure approach)	
V. Supporting Tables	
11. Composition of Final Consumption Expenditure of Households classified by Type	
12. Composition of Final Consumption Expenditure of Households classified by Purpose	
15. Gross Capital Formation of the Private and Public Sectors	
18. Net Lending(+)/Net Borrowing(-) classified by Institutional Sectors	
21. Capital and Financial Accounts of Private and Public Corporations	
23. Real National Disposable Income	

¹ Please refer to the following URLs for detail (Japanese).

http://www.soumu.go.jp/main_content/000514226.pdf

<http://www.esri.cao.go.jp/jp/sna/data/reference1/siryou/2017/pdf/announce20171130.pdf>

² In addition, the deflators of consumption of household and private non-residential investment for calendar years have been revised. Therefore, as for calendar years, the deflators and real terms which include or incorporate them have been also slightly revised.

(2) Reflecting the retroactive revision of “Flow of Funds Accounts”

In the revision of “Flow of Funds Accounts (Bank of Japan)” in June 2017, the figures from 2005 were retroactively revised³. Therefore, JSNA incorporates the revised figures from 2015. In addition, as for the following data series, the retroactive revision from 2005 are incorporated, and JSNA figures from 1994 are also revised by using the same method as “Flow of Funds Accounts.”

Tables Including the Data Revised from 1994	
Flow	
I . Integrated Accounts	
Capital and Financial Accounts	
Rest of the World Accounts	
III. Income and Outlay Accounts classified by Institutional Sectors	
V . Supporting Tables	
6(2). Account classified by the Sub-sectors of General Government (GFS)	
18. Net Lending(+) / Net Borrowing(-) classified by Institutional Sectors	
19. Rest of the World Accounts	
21. Capital and Financial Accounts of Private and Public Corporations	
24. Transactions in Financial Assets and Liabilities	
Stock	
I . Integrated Accounts	
II . Accounts classified by Institutional Sectors	
III. Supporting Tables	
1. Closing Stocks of National Assets and Liabilities	
2. Closing Stocks of Assets and Liabilities of the Private and Public Sectors	
3. Closing Stocks of Assets and Liabilities classified by the Sub-sectors of General Government	
5. Closing Stocks of External Assets and Liabilities	
6. Closing Stocks of Financial Assets and Liabilities	
IV. Supplementary Tables	
2. Non-performing Loans of Financial Corporations	

(3) Incorporating “Survey on Service Industries”

JSNA newly incorporates “Survey on Service Industries (Ministry of Internal Affairs and Communications)” for the compilation of some items in service industry in “First Annual Estimates” to aim for enhancing the consistency of Annual Estimates and Quarterly Estimates.

(4) Reflecting the corrected basic statistics, etc.

- (A) The retroactive correction of inventory assets on the FY2015 financial statements of Ministry of Defense (ex. ammunitions) is reflected on closing inventories for general government from 1994.
- (B) The trade and transport margins on “Supporting Table1 (Flow): Supply and Demand of Goods and Services” are adjusted from 2001 to 2010.
- (C) As for “Supporting Table 6(2) (Flow): Account classified by the Sub-sectors of General Government (GFS)” based on GFSM2014 (IMF), the financial part is modified from 1994 to enhance the international comparability.
- (D) The losses due to huge natural disasters (ex. Great East Japan Earthquake) are now reflected on “Supplementary Table 2 (Stock): Closing Stocks of Major Consumer Durables for Households” from 1995

³ Please refer to the following URL for detail.
https://www.boj.or.jp/en/statistics/outline/notice_2017/not170627a.htm/

as have been reflected in the closing stocks of non-financial assets.

(5) Classification of Government Affiliated Organizations

The classification of government affiliated organizations reflects the establishment, abolishment and consolidation of government agencies during FY2016 (See APPENDIX V “Classification of Government Organizations in SNA” for detail). The followings are the major examples. (Kyushu Railway Company is classified as private financial institution from public financial institution.)

(A) The organizations newly classified as central government:

Organization for Technical Intern Training, National Institutes for Quantum and Radiological Science and Technology, National Institution for Academic Degrees and Quality Enhancement of Higher Education, Japan Fisheries Research and Education Agency, National Institute of Maritime, Port and Aviation Technology, National Agency for Automobile and Land Transport Technology (General Account)

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

Fund Corporation for the Overseas Development of Japan's ICT and Postal Services, Japan Railway Construction, Transport and Technology Agency (Regional Public Transport Account)

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

Japan Organization of Occupational Health and Safety, National Agency for Automobile and Land Transport Technology (Examination Account)