

# National Accounts for 2017: 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 2017,” in addition to incorporating newly available source data, some changes to the estimation methods have been introduced as follows;

## (1) Expansion of common estimate items

In the quarterly estimates of GDP, the supply-side and demand-side estimates are integrated for compiling the parallel estimate items of consumption of household. In 16 items<sup>1</sup> with a focus on Service out of the parallel estimate items, the estimation method has been changed to apply only supply-side estimates.

## (2) 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. Due to (1), the weights expected to minimize differences between the quarterly estimates and the annual estimates, have been re-calculated<sup>2</sup>. As (1) and (2) have been introduced, the following data series including GDP for fiscal years and quarters are revised from 1994.

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	
Total Economy	
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	
18. Net Lending(+)/Net Borrowing(-) classified by Institutional Sectors	
23. Real National Disposable Income	

<sup>1</sup> Please refer to the following URL for detail (Japanese). [http://www.soumu.go.jp/main\\_content/000578613.pdf](http://www.soumu.go.jp/main_content/000578613.pdf)

<sup>2</sup> Please refer to the following URL for detail (Japanese). [http://www.soumu.go.jp/main\\_content/000585873.pdf](http://www.soumu.go.jp/main_content/000585873.pdf)

### (3) Revision of compensation of employees as a result of reflecting revision of “Monthly Labour Survey”

Due to a revision of Monthly Labour Survey by the Ministry of Health, Labour and Welfare, some changes to the estimation methods about compensation of employees and deflator are introduced. Due to these changes, compensation of employees and its components, including wages and salaries, for calendar years and quarters are retroactively revised<sup>3</sup> from 2004<sup>4</sup>. Due to this retroactive revision, some data series including Operating Surplus and Disposable Income are retroactively revised.

In addition, Hours Worked estimated by using Monthly Labour Survey are retroactively revised from 2004<sup>3</sup> because we re-estimated Hours Worked by using the method similar to the revision of compensation of employees.

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

In the revision of “Flow of Funds Accounts” (Bank of Japan) in June 2018, the figures from 2004 were retroactively revised. As for the following data series, the corresponding JSNA figures are also revised from 2004 at the longest.

Tables Including the Data Revised from 2004	
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

### (5) Changing the source data used for estimation of commodity-flow method

We change the source data used for estimate software industry from “CESA Games White Paper” (CESA (Computer Entertainment Supplier's Association)) to “Current Survey of Selected Service Industries” (Ministry of Economy, Trade and Industry).

### (6) Classification of Government Affiliated Organizations

<sup>3</sup> Wages and salaries for fiscal years are retroactively revised from 2003.

<sup>4</sup> Changes of estimation method about deflator are introduced after 2018.

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.

(A) The organizations newly classified as local government:

Osaka Research Institute of Industrial Science and Technology, Kanagawa Institute of Industrial Science and Technology, Osaka Institute of Public Health

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

Otsu City Hospital, Kumamoto Prefecture North Hospital Organization

4. New presentation items are added as follows;

(A) Housing loan interest, payable (FISIM unadjusted) are added to “Income and Outlay Accounts classified by Institutional Sectors (Flow): (2) Allocation of Primary Income Account”.

(B) “Non-financial corporations” and “Financial corporations” as breakdown items of “Entrepreneurial income of corporations” and “Entrepreneurial income of private corporations” are added to “Main Time Series IV (Flow): Distribution of National Income and National Disposable Income”.