

Preventive Measures against Estimation Errors in Quarterly Estimates of GDP

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An error in quarterly estimates of GDP (hereafter, QE) for the fourth quarter of 2012¹, caused by a mistake in the estimating worksheet, was found out, and the correction for nominal GDP growth rate and other figures (seasonally adjusted series) for the quarter in question were announced in early May. We express our apologies to those who use GDP statistics for the inconvenience caused by this affair.

Considering this affair, QE for the first quarter of 2013 was released on today after repeatedly conducting strict cross-checks.

While Department of National Accounts (hereafter, the Department) has worked to avoid estimation errors, the following new set of preventive measures will be swiftly implemented in order to restore the confidence of the public in the accuracy of GDP statistics that has been undermined by the recent affair.

1. Developing a system for detecting idiosyncratic figures

A new system to detect any idiosyncratic movement for each series of QE, in light of its previous time series trend, will be developed and put in practice as soon as possible. Through conducting sufficient rounds of checks by using this system, the Department will work through preventing estimation errors from recurring.

2. Developing a system to ensure consistency between the QE series

Another new system will be developed and put in practice as quickly as possible, which can automatically keep the consistency in all the other series that could be affected in case of a series being modified after an error found. The Department will make sure that there is no inconsistency between various series of QE, through operating such system.

¹ First preliminary estimates were released on February 14, and second preliminary estimates on March 8.

(Reference)

The Correction to QE for Oct-Dec quarter, 2012 (announced on May 7 and 8)

Since an estimation error was found out in seasonally adjusted nominal service export and import in 2012 4Q figures, the correction including the following main indicators was made and announced.

	Seasonally Adjusted Series (billion yen)	Changes from the previous quarter (seasonally adjusted series, %)	Contributions to changes in nominal GDP growth rate (%)
Nominal Export of Goods and Services	67,612.9→66,687.5	▲0.3→▲1.7	▲0.0→▲0.2
Nominal Import of Goods and Services	80,499.8→78,610.1	3.0→0.5	▲0.5→▲0.1
Nominal Net Export	▲12,886.9→▲11,922.7	—	▲0.5→▲0.3
Nominal GDP	471,463.8→472,428.1	▲0.3→▲0.1 Annualized ▲1.3→▲0.5	
Real GNI	514,757.7→515,496.5 (billions of chained (2005) yen)	▲0.0→0.1	

	Seasonally Adjusted Series (CY2005=100)	Changes from the previous quarter (seasonally adjusted series, %)
GDP Deflator	91.2→91.4	▲0.4→▲0.2

(Note) As the result of QE for 1Q of 2013 released on May 16, the above series (i.e. nominal GDP, etc.) for 2012 4Q were now revised. For the latest data, please refer to the following website.

<http://www.esri.cao.go.jp/en/sna/data/sokuhou/files/2013/qe131/gdmenuea.html>