



The 2018 revision of Swiss Quarterly National Accounts

SECO, Short-Term Economic Analyses Unit

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1 Revision does not change picture of business cycle

In Switzerland, two institutions are responsible for national accounts (NA): the Federal Statistical Office (FSO), which is responsible for the annual results, and SECO, which produces the Quarterly NA. SECO incorporates the annual results of the FSO into its own calculations and thus ensures consistency between annual and quarterly figures.

In August 2018, the FSO published as usual its first data on NA 2017 and revised results for 2015 and 2016.¹ SECO routinely adopts the annual revisions when calculating the quarterly figures. In the course of this, the quality of the calculation procedures of all quarterly time series is checked and ensured.²

Generally, quarterly NA are revised three years backwards in line with the annual data. However, in the summer of 2018 revisions of important basic statistics led to adjustments of individual NA sections over the entire period from 1995 onwards. The time series of real GDP is also affected by the integration of these revised data. However, the business cycle picture remains virtually unchanged following the revision.

2 Revised basic statistics

In summer 2018, the historical series of production, orders and turnover statistics in the industrial sector (INDPAU) and the construction industry (BAPAU) were subject to extensive revisions from 1999 onwards and the job statistics (JOBSTAT) from 2015 onwards.³ The time series from these statistical sources play an important role in estimating the quarterly NA. For instance, INDPAU and BAPAU provide key indicators for manufacturing and the construction sector and JOBSTAT for numerous categories on the expenditure and production side of GDP.

¹See FSO press release no. 2018-0375-D of 28 August 2018: <https://www.bfs.admin.ch/bfs/en/home/statistics/national-economy/national-accounts/gross-domestic-product.assetdetail.5886790.html>.

²The quarterly NA is compiled using temporal disaggregation methods. For more information, please refer to the corresponding handbook produced by the European Statistical Office (Eurostat) at <https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-GQ-13-004>.

³See FSO press release no. 2018-0234 of 28 August 2018: <https://www.bfs.admin.ch/bfs/en/home/statistics/industry-services/businesses-employment/jobs-statistics.assetdetail.5827411.html> and no. 2018-0348 of 23 August 2018 at <https://www.bfs.admin.ch/bfs/en/home/statistics/industry-services/production-orders-turnover/secondary-sector.assetdetail.5826753.html>

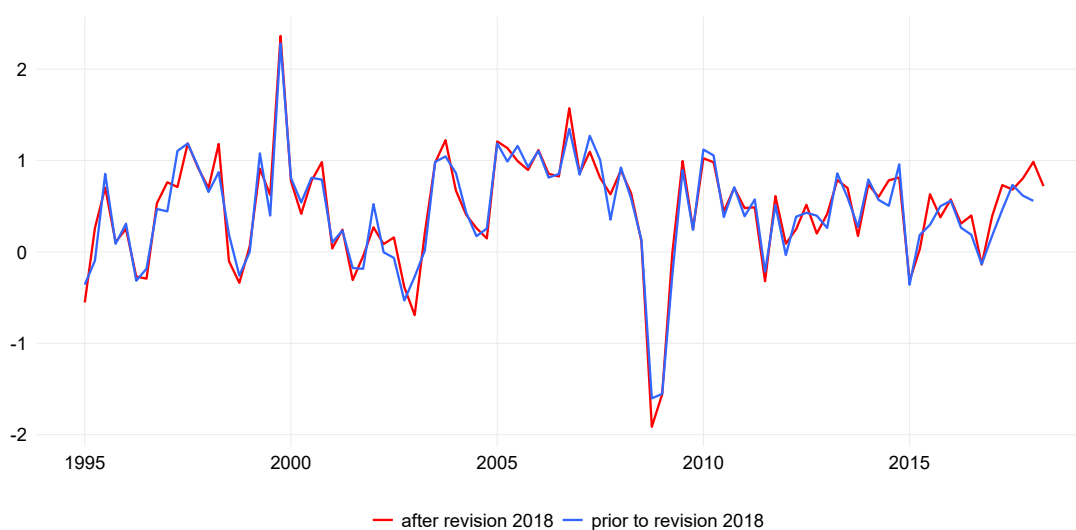
3 GDP and production account

SECO conducted an in-depth analysis of the calculation methods and seasonal adjustment of all quarterly time series affected by the revised basic statistics and, where necessary, adjusted the procedures. This resulted in some categories being revised throughout the period from 1995 onwards. In the wake of these revisions, improvements were also made to some other categories.

As a result, slight changes arise in the quarterly dynamics of GDP from as early as 1995 with unchanged annual totals (figure 1), while the annual figures are only affected by the FSO revision from 2015 onwards. Prior to 2015, the revisions primarily stem from manufacturing (NOGA 10-33; figure 2), while those from 2015 onwards are not only to be found in manufacturing but also in various service sectors.

Figure 1: Gross Domestic Product

quarter-on-quarter change in %, real, seasonally adjusted



In the case of manufacturing, the changes can in turn be traced back to the INDPAU revision. The adoption of the revised INDPAU also required adjustments in the quarterly estimation and seasonal adjustment procedures. By contrast, the revised JOBSTAT data had a major influence on changes to the service sectors, which in recent quarters appear to have gained a great deal more momentum. What is more, the contributions to growth in the « Arts, entertainment, recreation and other services » sector (NOGA 90-96) are somewhat more marked in light of the new FSO annual figures.⁴ The « Transportation and storage; Information and communications » sector (NOGA 49-53 and 58-63) and taxes on products are also affected by the revision from 1995 onwards. In both cases, the changes are due to an improvement in the estimation method. These were supplemented and updated with additional basic statistics on freight transport and gross value added. The seasonal adjustment method used needed reworking too, resulting in visible changes to some time series.

Although the 2018 revision was to some extent more comprehensive than previous annual revisions, it did not have a material effect on the long-term history of GDP or the current business cycle stance. The slowdown in the rate of growth between 2014 and 2017 and the vigorous GDP growth over the past few quarters are confirmed. The same goes for the very positive development in manufacturing since early 2017 (figure 2).

A detailed comparison of the results shows that real GDP in 2017 was affected by comparatively substantial revisions. The 2017 annual growth rate published by SECO in June based on the four

⁴For a more extensive analysis of this sector, please refer to the technical note entitled « Adjusting Swiss GDP to account for the impacts of major international sports events » of 31 May 2018, available at <https://www.seco.admin.ch/seco/en/home/wirtschaftslage---wirtschaftspolitik/Wirtschaftslage/bip-quartals-schaetzungen-/concepts--en--.html>

corresponding quarterly estimates stood at 1.1 %, while the FSO growth rate published in August 2018 stood at 1.6 %. Analyses conducted by SECO show that around two thirds of the total revision in GDP growth for 2017 can be attributed to the revision of basic statistics described above. Discounting this effect, the revision for 2017 fell within the usual range.⁵

Figure 2: Manufacturing

quarter-on-quarter change in %, real, seasonally adjusted

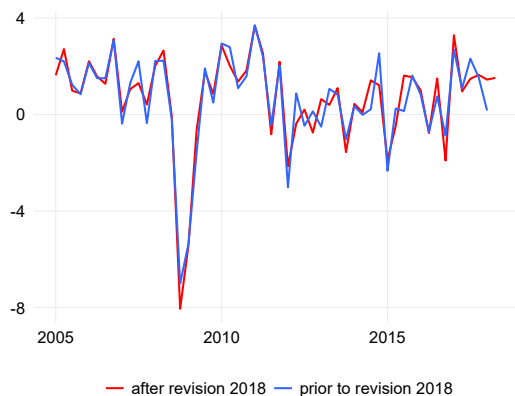
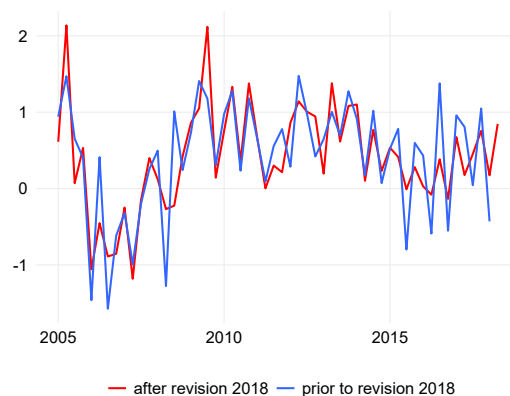


Figure 3: Investment in construction

quarter-on-quarter change in %, real, seasonally adjusted



4 Expenditure and income approach

On the expenditure side, the revised BAPAU and JOBSTAT basic statistics primarily affected investment in construction. In particular, a marked change in the seasonal pattern can be seen in the corresponding category of the quarterly NA, along the same lines as the revised BAPAU. For this reason, the seasonal adjustment was also reviewed in depth in addition to the calculation procedure for investment in construction. This resulted in a real time series revised from 1995 onwards, whose economic interpretation hardly differs from the series before the revision. However, it displays less volatile quarterly dynamics (figure 3). There were only minor changes concerning the remaining expenditure components of GDP, which were essentially limited to the integration of revised annual figures into the quarterly NA, accompanied by revisions within the normal scope from 2015 on. There were some slight revisions to the income approach, which were merely the result of taking into account updated historical data from the current account from 1995 onwards and integrating the newly published FSO annual figures.

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⁵For an analysis of the revisions from the past few years, please visit <https://dievolkswirtschaft.ch/de/2018/02/bachmann-indergand-03-2018/>