



Agency for Strategic planning
and reforms of the
Republic of Kazakhstan
Bureau of National statistics

Quality report

*Gross Domestic Product by end use
method for 2019*

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S.1 Contact details

S.1.1 Organization

Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

S.1.2 Structural subdivision

Департамент национальных счетов

S.1.3 Name of contact person

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S.1.5 Postal address of the contact person

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S. 2 Introduction-Relevance

The main purpose of the System of National Accounts (hereinafter - SNA) is to provide a comprehensive conceptual framework and accounting structure that could be used to create a macroeconomic database suitable for analyzing and assessing the performance of the economy. The presence of such a database is a prerequisite for formulating sound and rational policies and making appropriate decisions. The essence of the SNA is reduced to the calculation of generalizing indicators of the development of sectors of the economy at different stages of the reproduction process and the mutual linking of these indicators with each other. Each stage of reproduction corresponds to a special account or group of accounts. Thus, it is possible to trace the movement of the value of goods and services produced from production to use.

S.3 Updating metadata

S.3.1. Latest confirmation of updated metadata

S.3.2. Last metadata placement

S.3.3. Latest metadata update

S.4. Presentation of statistical information

S.4.1 Data description

The components of the final use of gross domestic product (hereinafter - GDP) are reflected in the SNA in the goods and services account, the account for the use of disposable income and the capital account.

The goods and services account reflects the fundamental identity of the SNA - goods and services produced in a country must be consumed, used for accumulation or exported, and all goods and services used in a given country must be produced in that country or imported.

The Disposable Income Use Account shows how, for sectors with final consumption expenditure (government, non-profit institutions serving households and households), disposable income is divided between final consumption and saving.

The components of the final use of GDP are:

- final consumption costs;
- gross capital formation;
- net exports.

GDP by the end-use method at current prices is calculated using the formula:

$$\text{BBП} = \text{PKП} + \text{BH} + \text{ЧЭ}$$

Where:

BBП - gross domestic product;

PKП - final consumption expenditure;

BH - gross capital formation;

ЧЭ - net export.

Net exports are the difference between exports and imports. The sources of information for the formation of GDP by the end-use method are data from national statistical observations and administrative data of the Ministry of Finance of the Republic of Kazakhstan (reports on income and expenditures of the state budget), the National Bank of the Republic of Kazakhstan (Balance of payments, reports on the activities of second-tier banks, insurance organizations).

S.4.2 Classification system

General classifier of economic activities (NK RK 03-2007), harmonized with the international classifier NACE rev. 2, Classifier of economic sectors, Classifier of functions of government bodies, Classifier of individual consumption by purpose, Classifier of purposes of non-profit organizations serving households, developed in accordance with System of National Accounts 2008. The classifiers are available on the website of the Bureau of National Statistics www.stat.gov.kz in the "Classifiers" section.

S.4.3 Sectoral coverage

Resident institutional units, which together make up the country's economy, are grouped into five mutually exclusive institutional sectors: the sector of non-financial corporations; financial corporations sector; public administration sector; the household sector; the sector of non-profit organizations serving households (hereinafter - NPISH).

SNA describes the entire economy of a country. The data is generated by sector of the economy: it covers all resident institutional units and their operations (including operations with the rest of the world).

S.4.4 Statistical concepts and definitions

GDP is one of the most important indicators of the system of national accounts, which characterizes the final result of a country's economic activity.

Final consumption is the consumption of goods and services fully used by individual households or society as a whole to meet their individual or collective needs and requirements.

Gross capital formation is the total value of gross fixed capital formation, changes in inventories and the acquisition of valuables less their disposal.

Tangible assets are produced assets consisting of goods and services that appeared in the current period or earlier and that are intended to be sold, used in production or for other uses at a later date.

Change in inventories is the value of receipts in inventories less the cost of retirement from inventories and less the value of any current losses of goods that were in inventories during the reporting period.

Gross fixed capital formation is the cost of acquisition by manufacturers of new and existing fixed assets less the cost of disposal of fixed assets used in production to generate new income in the future.

Import - the import of goods and services from abroad for their sale in the domestic market.

Export - the export of goods and services abroad for their sale in the external market.

Household - an economic entity consisting of one or more individuals living together, pooling all or part of their income and property and jointly consuming goods and services.

Governments are unique types of legal entities that are created through political processes that have legislative, judicial, or executive power over other entities within a given territory.

Non-profit organizations serving households (hereinafter - NPISH) are economic entities engaged in the production of non-market services for households or society as a whole, and whose resources are formed from voluntary contributions.

S.4.5 Statistical object

Resident institutional units that collectively make up a country's economy. An institutional unit is a resident unit of a country if the predominant center of its economic interests is located in the economic territory of that country, that is, when it is engaged for a relatively long period (a year or more) in economic activity in that territory.

S.4.6 General population (principle of selection of survey units)

Not applicable.

S.4.7 Territorial coverage

Republic of Kazakhstan as a whole.

S.4.8 Time coverage

End-use GDP has a time series from 1990 to the present (annual data).

S.4.9 Base period

The base period for GDP and its components is the corresponding period of the previous year.

S.5 Unit of measurement

Million Kazakh tenge

S.6 Reporting period

Year

S.7 Legal basis

S.7.1 Legal framework

1. Law of the Republic of Kazakhstan dated March 19, 2010 No. 257-IV "On state statistics".
2. The plan of statistical work, approved in accordance with the established legislation.
3. Schedule for the dissemination of official statistical information, approved by the Order of the Head of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan.

S.8 Privacy and data protection

S.8.1 Privacy and data protection

1. Article 8 of the Law of the Republic of Kazakhstan dated March 19, 2010 No. 257-IV "On state statistics", in accordance with which a guarantee of confidentiality and protection of the submitted data by respondents is ensured.
2. Article 28 of the Entrepreneurial Code of the Republic of Kazakhstan dated October 29, 2015 No. 375-V ensures the protection of information constituting a commercial secret.
3. Information security policy (hereinafter referred to as the Policy), approved by the Order of the Head of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan dated February 10, 2021 No. 20, defines the goals, objectives, guidelines and practical techniques in the field of information security of the Bureau of National statistics. The main goal of the Policy is to ensure the availability of official statistical information, the confidentiality of information stored and processed on the computer facilities of the Bureau of National Statistics under the conditions of its integrity and authenticity.

S.8.2 Privacy - data handling

The rules for the provision and use for scientific purposes of databases in a de-identified form, approved by order of the Chairman of the Agency of the Republic of Kazakhstan on statistics dated July 2, 2010 No. 168. Registered with the Ministry of Justice of the Republic of Kazakhstan on August 13, 2010 No. 6388.

S.9 Publication policy

S.9.1 Publications calendar

Clause 1, Clause 2 of Article 26 of the Law of the Republic of Kazakhstan "On State Statistics" dated March 19, 2010 No. 257-IV.

The statistical work plan and the Schedule for the dissemination of official statistical information are posted on the website of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan www.stat.gov.kz in the "Home" / "Basic Documents" section.

S.9.2 Access to the Graph

Simultaneous and equal access for all users on the website of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan www.stat.gov.kz in the section "Home" / "Basic documents".

S.9.3 User access

The website of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan www.stat.gov.kz. Official statistics / By industries / National accounts statistics.

S.10 Propagation frequency

Year, quarter

S.11 Distribution format, accessibility and clarity

S.11.1 News publications

S.11.2 Publications

- 1) Express information "Gross domestic product by end use method" in Word format in Kazakh and Russian languages is published quarterly on the website of the Bureau of National Statistics www.stat.gov.kz in the section Official statistics / By industries / National accounts statistics / Statistics / Express -information
- 2) The statistical bulletin "National accounts of the internal economy of the Republic of Kazakhstan" in Excel format in Kazakh and Russian languages is published annually on the website of the Bureau of National Statistics www.stat.gov.kz in the section Official statistics / By industries / National accounts statistics / Statistics / Bulletin.
- 3) The statistical collection "National accounts of the Republic of Kazakhstan" contains data for the last five years. The statistical digest in Word and PDF format in Kazakh, Russian and English is published annually on the website of the Bureau of National Statistics www.stat.gov.kz in the section Official statistics / Publications / Statistical compilations / National accounts of the Republic of Kazakhstan.

S.11.3 Online databases

Information and analytical system "Taldau"> National accounts statistics

S.11.3.1 AC1. Data tables-consultation

Not implemented.

S.11.4 Microdata access

The dissemination of data collected for the preparation of official statistics is based on the requirements provided for in Article 8 of the Law of the Republic of Kazakhstan dated March 19, 2010 "On State Statistics", in accordance with which the confidentiality and protection of the submitted data by respondents is guaranteed.

Access to microdata and anonymity of microdata are governed by the Rules for the provision and use of databases for scientific purposes in a de-identified form, approved by order of the Chairman of the Agency of the Republic of Kazakhstan on statistics dated July 2, 2010 No. 168. Registered with the Ministry of Justice of the Republic of Kazakhstan on August 13, 2010 No. 6388.

S.11.5 Other

S.11.5.1 AC2. Metadata consultation

Not implemented.

S.12 Availability of Documentation

S.12.1 Methodology documentation

System of National Accounts, 2008 (published by the Commission of the European Communities EUROSTAT, International Monetary Fund (IMF), Organization for Economic Cooperation and Development (OECD), United Nations (UN), World Bank).
https://unstats.un.org/unsd/nationalaccount/docs/SN_A2008Russian.pdf.

S.12.2 Quality documentation

1. Quality policy approved by the Head of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan on November 16, 2020.
2. Documented information of the quality management system: Quality manual; Documented procedures; Instructions; Process maps.
3. Typical methodology for describing the process of producing statistical information by state bodies, approved by the Order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated March 30, 2015 No. 53.
4. Methodology for assessing the quality of official statistical information, approved by the Order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated May 23, 2018 No. 63.

S.13 Quality control

S.13.1 Quality assurance

The quality and reliability of data for national accounts statistics is supported by generally accepted procedures:

- formation in accordance with international recommendations to ensure the comparability of data in accordance with international standards;
- use of standard statistical classifications of goods, products, services;
- conducting a comparative analysis of statistical data.

S.13.2 Quality control

The quality is ensured by the strict application of the concepts of the international standard SNA 2008 and the reliability of the data.

S.14 Relevance

S.14.1 Needs

National accounts data are key information for monitoring economic policy and decision-making, forecasting, for administrative purposes and for informing the general public and for economic research. Users of annual national accounts data are usually interested in analyzing structural changes in the economy over the medium term.

Main users:

National Bank of the Republic of Kazakhstan;

government bodies;

research institutes;

international organizations (EAEC, CIS Statistical Committee and others);

university teachers, students and others.

S.14.2 User satisfaction

The Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan annually conducts a survey of users of official statistical information according to the questionnaire Q-002 “Survey of users”. In addition, responses to user requests are formed both officially and in a working order within the competence.

S.14.3 Completeness / R1. Data completeness-share

In accordance with the international standard SNA 2008.

S.15 Accuracy and reliability (filled in according to the type of observation)

S.15.1 Overall Accuracy

The accuracy of the initial data is controlled by assessing the methodological soundness of data sources and adherence to methodological recommendations.

S.15.2 Sampling errors - indicators / A1.

Not applicable.

S.15.3 Non-sampling error

Not applicable.

S.15.3.1 Coverage error

Not applicable.

S.15.3.1.1 A2.Excess coverage-share

Not applicable.

S.15.3.1.2 A3.Common Units-Ratio

Not applicable.

S.15.3.3 No response errors

S.15.3.3.1 A4.Absence unit-share

Not applicable.

S.15.3.3.2 A5.No answer item - share

Not applicable.

S.16 Timeliness and punctuality

S.16.1 Timeliness

S.16.1.1 TP1.Waiting period - first results

The end-use GDP is published according to the timeframes specified in the Statistical Work Plan. Quarterly data (cumulative) are published 105 days after the reporting period, preliminary annual data - 120 days after the reporting period.

S.16.1.2 TP2.Waiting Period - Latest Results

Final annual data are published 320 days after the reporting period.

S.16.2 Punctuality

S.16.2.1 Punctuality / TP3

The data are published and disseminated in accordance with the terms of the Statistical Work Plan.

According to the Statistical Work Plan for 2020, the deadline for publication of express information "Gross Domestic Product by end-use method for 2019" is April 30, 2020 (preliminary) and November 16, 2020 (reporting).

Components of GDP by end-use method

for 2019

	Preliminary data, million tenge	Reporting data, million tenge	Discrepancy, %
Final Consumption Expenditure	42 497 817,8	42 700 693,7	0,5
Gross capital formation	18 605 173,9	19 210 178,5	3,3
Export	25 196 798,6	25 336 984,8	0,6
Import	19 232 858,9	19 760 914,8	2,7
GDP (end-use method)	67 066 931,4	67 486 942,2	0,6

IFO components of GDP by end-use method for 2019, as a percentage of the previous year

	Preliminary data	Reporting data
Final Consumption Expenditure	107,2	107,4
Gross capital formation	109,0	112,2
Export	102,2	102,0
Import	111,6	114,9
GDP	104,5	104,5

The reported data provide a more complete coverage of sources of information required for a qualitative assessment of GDP and its components. For example, one of the sources for calculating the GFCF is data 11 of the "Report on the state of fixed assets" form, submitted by respondents only on an annual basis. Changes in the IFO components of GDP are due to changes in nominal values in the reporting period. A weighted deflator is used to calculate the indicator in prices of the base period. Accordingly, a change in the structure in the GDP component leads to a change in the deflator and, accordingly, its IFO.

S.17 Comparability

S.17.1 Geographic comparability

Internationally comparable, as calculations are carried out in accordance with the 2008 SNA methodology.

S.17.1.1 Asymmetry by mirror flow statistics - coefficient / CC1

Unacceptably.

S.17.2 Length of comparable time series / CC2

Time series published since 1990 (annual data).

S.18 Consistency

S.18.1 Consistency, external, cross

Calculations are carried out in accordance with the methodology of the System of National Accounts 2008 prepared by the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), the Statistical Office of the European Communities (Eurostat), the United Nations (UN) and the World Bank, which ensures the application uniform concepts, definitions, classifications and assessment methods.

S.18.2 Internal consistency

Within the SNA, there is consistency between the data of the various accounts. However, in practice, complete consistency of indicators is not always possible. For example, in the formation of GDP by methods of production and end use. The reason is the use of different data sources for the supply and use components of GDP.

A comparative table between the values of GDP calculated by different methods is presented below:

GDP calculated by production and end-use methods in 2019

	1st quarter 2019	1st half-year 2019	9 months 2019	2019
GDP by production method, million tenge	13 180 857,2	27 908 618,1	44 297 912,1	69 532 626,5
GDP by end-use method, million tenge	12 687 121,6	27 343 030,2	43 619 848,5	67 486 942,2
Statistical discrepancy,%	3,7	2,0	1,5	2,9

The average annual statistical discrepancy between the methods was 2.5%.

One of the possible ways to level it is to recalculate the GDP after obtaining the data from the resource-use tables (hereinafter referred to as RUT). RUT provides more detailed, product-specific information on all components of GDP calculated by different methods. Such a recalculation will contribute to a higher quality of GDP components.

Further, as can be seen from the presented table, the level of discrepancy between the methods fluctuates from period to period. Such leaps during the year should be smoothed out after the introduction into current practice of calculating GDP on a discrete basis and recalculating net quarters after the annual estimates are obtained. Currently, there is a high share of the 4th quarter, since all data obtained on an annual basis are included in the difference between annual GDP and GDP for 9 months.

Due to the fact that there is currently no statistical survey of non-profit units (non-market producers), the data on the NPISH sector in GDP is an estimate (NPISH gross output and NPISH final consumption expenditure). To address this issue, it is possible to propose the introduction of a statistical survey of non-profit organizations, which would serve as a reliable source of information in the formation of NPISH indicators in national accounts.

S.19 Load

The gross domestic product by the end-use method is formed by the staff of the Department of National Accounts in Excel based on the indicators of national statistical observations and administrative data.

Duplication with other statistical work - no.

S.20 Revision of data

S.20.2 Data revision / A6

The revision is carried out in cases of changes in the methodology, classifier.

1) Data are revised in accordance with the terms specified in the Statistical Work Plan annually. Preliminary annual data are published 120 days after the reporting period. Annual reporting data is published 320 days after the reporting period.

2) Revision in cases of changes in methodology, classifiers.

In 2019, the current practice of forming VNOK was optimized. When recalculating GDP, taking into account the new NOE methodology, it is also planned to recalculate the VNOK for comparability of indicators in dynamics.

Formation of VNOK is carried out according to the following main groups

SNA code	Name
TOTAL VNOK	
AN111	Residential buildings
AN112	Other buildings and structures
AN1121	Non-residential buildings
AN1122	Constructions
AN1123	Land improvements
AN113	Machinery and equipment
AN1131	Vehicles and equipment
AN1132	Information, computer and telecommunication equipment
AN1133	Other machinery and equipment
AN1133	Other fixed assets
AN114	Weapon systems (Weapons and their parts, Military combat vehicles)
AN115	Biological assets
	Fixed assets not included in other groups
	Costs associated with the transfer of ownership of non-produced assets
AN116	
AN117	Intellectual property products
AN1171	Research and development
AN1172	Exploration and evaluation of mineral reserves
AN1173	Computer software and databases
AN1174	Originals of entertainment, literary and artistic works
AN1179	Other intellectual property products

Since 2019, the accounting of fixed assets has been carried out in more disaggregated groups, and the VNOK is formed for each type of asset separately, data on subgroups are added to the corresponding groups. The problem areas in the structure of the GFCF remain the assessment of weapons systems and R&D (to complete the transition to the 2008 SNA, the structure of GDP must also reflect the capitalization of R&D in the form of changes in gross output, intermediate consumption, wages, consumption of fixed capital and GFCF).

IFO VNOK is calculated based on the resulting asset structure.

S.21 Processing of statistical data

S.21.1 Initial data

The sources of information for the formation of GDP by the end-use method are:
components of GDP by the production method;

industry statistics data;

Balance of payments of the Republic of Kazakhstan, (National Bank of the Republic of Kazakhstan);

reports on revenues and expenditures of the state budget (Ministry of Finance of the Republic of Kazakhstan).

S.21.2 Inspection frequency

Year, quarter

S.21.3 Method (method) of collecting primary statistical data

The results of national statistical observations are obtained in the form of an Excel spreadsheet from industry statistics.

Administrative data were obtained in the form of an Excel table within the framework of existing joint orders on the exchange of information with government agencies, upon requests through the ODO and from the official websites of data sources.

S.21.4 Reliability of primary statistical data

Analysis of data obtained from sectoral departments of statistics and administrative sources is carried out. During the verification process, the results obtained are compared with the previous period.

S.21.5 Imputation - share / A7

Not applicable.

S.21.6 Correction

Not applicable.

S.21.6.1 Seasonal adjustment

Not applicable.

S.22 Notes

Continue work to ensure the quality of statistical data.