

5. MACROECONOMIC INDICATORS

Regional accounts, the only source of regional macroeconomic indicators, are a regional analogy to national accounts. They result from annual national accounts compiled for the Czech Republic; as for the methodology they correspond to the European System of Accounts (**ESA95**) and consistently observe rules and recommendations valid for Member States of the European Union, which means that they are comparable to them – harmonized.

In 2011, the Czech Statistical Office made a revision of regional accounts starting with the year 1995. The main reason for that was a transition to the new CZ-NACE classification. More detailed information on the results of the revision of the national accounts can be found at the CZSO webpage: http://apl.czso.cz/pll/rocenka/rocenka.indexnu_en. In harmony with the ESA95 methodology indicators are surveyed by a **workplace method**, which means that indicators for enterprises are allocated to regions according to the real place of work of a unit. Gross value added for multi-regional organizations is allocated based on wages paid in individual regions. Indicators of household accounts are related to the place of **residence of the households**.

Gross domestic product (GDP) is a key indicator of the development of the economy. It is a set of values added of individual institutional sectors or individual industries in activities considered by the ESA95 to be productive (i.e. including both market and non-market services) and net taxes on products (it is thus expressed in purchaser prices). From the point of view of use, GDP is equal to the sum of final consumption (of households, government, and non-profit institutions serving households), gross capital formation (fixed capital and balance of inventories and acquisitions less disposals of valuables) and the external trade balance.

Gross value added (GVA) is the sum of values added of individual industries (i.e. GDP excluding net taxes on products, which cannot be divided among individual industries). The industrial structure is arranged according to the CZ-NACE classification, which corresponds as for its content to the European NACE Rev. 2 classification.

Gross fixed capital formation (GFCF) includes the value of acquisition of both tangible and intangible fixed assets purchased, taken over free of charge or produced by own activities, deduced by the value of its sale and free transfers. What is also included is acquisition in the form of financial leasing. The target of the acquisition is always to use the fixed assets for productive activity including housing in the dwelling of its owner. What is not included are fixed assets worth less than CZK 20 thousand, consumer durables purchased by households for satisfaction of final consumption or acquisitions less disposals of valuables. Excluded is also equipment for military purposes (tanks and suchlike) and expenditure on research and development and the like.

Net disposable income of households is an amount that households can give to final consumption, savings in the form of financial assets and to accumulation of both tangible and intangible assets. Disposable income results from the creation and distribution of income and it is the balancing item of the secondary distribution of income account.

For the needs of the international comparison the selected **indicators are converted** to currency unit euro, purchasing power standard, and purchasing power consumption standards, namely according to the coefficients issued by the Statistical Office of the European Union – Eurostat.

Regional macroeconomic indicators are revised in harmony with the revisions of annual national accounts. Data on the year 2009 are based on the final version of annual national accounts for the year 2009, data on 2010 are based on the half-finalised version and data on 2011 are based on a preliminary version of annual national accounts.