

5. MACROECONOMIC INDICATORS

Regional accounts, the most important 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 (**ESA 2010**) and consistently observe rules and recommendations valid for Member States of the European Union, which means that they are comparable to them – harmonized.

In accordance with the ESA 2010 methodology indicators are surveyed by a **workplace method**, which means that indicators for enterprises are allocated to regions according to the real location of workplace 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 ESA 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, the GDP is equal to the sum of final consumption (of households, general 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), deducted by the value of its sale and the value of assets handed over free of charge. It also includes 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. Only assets used in production for a period longer than one year are fixed capital. It includes also e.g. equipment for military purposes, research and development expenditure 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 tangible and intangible assets. Disposable income results from the generation and distribution of income and it is the balancing item of the secondary distribution of income account.

For the needs of the international comparison, selected **indicators are converted** to euro currency unit and purchasing power standard, 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. Update data include results of an occasional revision of the annual national accounts in 2014 related to the transition to the new ESA 2010 European accounting standard. Data for 2015 and 2016 are based on a preliminary version of the annual national accounts.