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Challenges and approaches to the implementation of 2008 SNA**Implementation of the 2008 System of National Accounts in Azerbaijan and some challenges of estimating Financial Intermediation Services Indirectly Measured****Prepared by the State Statistical Committee of Azerbaijan***Summary*

This paper describes the activities on implementation of the 2008 System of National Accounts in Azerbaijan. First, the paper discusses the main achievements and planned future work of the State Statistics Committee of Azerbaijan in the development of national accounts. Then, the paper describes the methodology applied in Azerbaijan to calculate the output of the Financial Intermediation Services Indirectly Measured and the challenges arising from these calculations. The paper also provides practical examples that reflect the impact of the allocation of the Financial Intermediation Services Indirectly Measured to national accounts indicators.

I. Introduction

1. The State Statistics Committee (SSC) of Azerbaijan began the work on the study and implementation of the provisions of the 2008 System of National Accounts (SNA) in 2009. In April 2009, an action plan was drafted and approved to improve national accounts indicators for 2009–2011, which aimed to fill gaps in implementing the 1993 SNA, improve basic statistics and price indices used for producing SNA indicators and establish a methodology and database for implementing the recommendations of the 2008 SNA.
2. Before the plan was drafted, unresolved problems with the 1993 SNA were identified and changes in the 2008 SNA were carefully reviewed. The changes that will have the greatest impact on national accounts indicators in the country were determined.
3. A decision was made to begin implementing the new provisions of the 2008 SNA with the changes that directly affect the size of gross domestic product (GDP), bearing in mind the resources of the Statistics Committee, the relevance of one change or another to the national accounts and the needs of users.
4. The following issues were identified as priorities for the first stage of implementation of the 2008 SNA:
 - (a) Improving the calculation of the Financial Intermediation Services Indirectly Measured (FISIM);
 - (b) Improving the calculation on insurance services;
 - (c) Improving the calculation of consumption of fixed capital
 - (d) Recording expenditures on research and development in the SNA;
 - (e) Improving sectoral accounts, consistent with the 2008 SNA;
 - (f) Output of the informal sector and illegal activities;
 - (g) Implementation of the Statistical Classification of Economic Activities in the European Community (NACE), revision2;
 - (h) Recording military expenditures in the SNA;
 - (i) Output of the Central Bank.
5. This paper is organized in two parts. The first part is a description of the main achievements and the planned future work of the State Statistics Committee of the Republic of Azerbaijan in the field of the 2008 SNA implementation. The second part of the document describes the methodology applied in Azerbaijan to calculate the output of FISIM, discusses the challenges arising from these calculations and provides numerical examples that reflect the impact of FISIM allocation to national accounts indicators.

II. Activities on implementation of the 2008 System of National Accounts in Azerbaijan

A. Background

6. Studying the main changes to the 2008 SNA and its implementation within the State Committee on Statistics of the Republic of Azerbaijan is part of a three-year plan for implementing the 2008 SNA with the scope of improving National Accounts statistics.

7. Action plans are approved by the decisions of the Board of the Committee in order to involve all departments whose participation is necessary for the implementation of the plan.
8. So far, the first three-year plan covering 2009-2011 has been successfully completed and work is nearing completion on the next action plan (2012-2014).
9. In order to work more closely with other government agencies that produce statistical and administrative data, activities for implementing the 2008 SNA are also included in the "State Program on development of official statistics in the Republic of Azerbaijan 2013-2017".
10. The State Program was approved by the President of the Republic of Azerbaijan.

B. Main achievements in the field of the 2008 SNA implementation

11. At the first stages of work on implementation of the 2008 SNA, existing statistical questionnaires were modified and new forms of questionnaires were developed to obtain the necessary information for improving the calculations of consumption of fixed capital; output and allocation of research and development (R&D); FISIM; insurance services; and indicators of financial accounts, financial corporations and general government sectors accounts. To improve the coverage and comparability of business statistics used for calculations of SNA indicators, an integrated statistical questionnaire was developed and implemented.
12. In addition, worksheets for the calculation of SNA indicators and quality of basic statistics were improved.
13. The implementation of a new classification of economic activities in national accounts preceded its implementation in the Business Register, business statistics, price statistics and labour statistics. This process took approximately two years and formed the necessary framework for the recalculation of SNA indicators, which was completed in late 2013.
14. For improvement of FISIM estimates, appropriate changes were made in statistical questionnaires, closer cooperation was organised with the Central Bank and an agreement was signed to provide detailed consolidated balance sheets of the banking sector and other necessary information. FISIM was calculated using separate reference rates on financial assets, denominated in national and foreign currencies and allocated by user sectors and directions of use. The part of FISIM used in intermediate consumption was allocated by types of economic activity.
15. Due to changes in statistical questionnaires for insurance companies, data were obtained that permitted improvement of SNA estimates and separate calculations of the output of direct insurance and reinsurance. The current national regulations on insurance activity and the accounting standards do not allow calculation of adjusted claims incurred, so the output of insurance services was calculated without the relevant adjustments.
16. In order to evaluate illegal activity, SSC analysed the European experience, identified sources of information, obtained data and produced experimental estimates of trafficking and use of drugs, illegal alcohol and tobacco production.
17. At the same time changes were made in the labour force survey questionnaires, which have allowed improvement of estimations of informal sectors.
18. In addition to the improvements listed above, SSC developed experimental estimates of the output of the central bank, military expenses, R&D output and its allocation, and improved the sector accounts to reflect changes in the sector classification.

C. Further work to improve the indicators of national accounts

19. As mentioned above, the arrangements connected with implementation of the 2008 SNA are reflected in the three-year plan of activities and in the "State Program on development of official statistics in the Republic of Azerbaijan 2013-2017".

20. Until the end of 2017 SSC will work in the following areas:

- (a) Continuation of work to improve the system of annual sector accounts;
- (b) Further development of the methods and data sources for calculation of SNA indicators for the financial corporations and government units;
- (c) Improvement of data of the business register for the correct identification of economic units, in accordance with the classification of sectors of the 2008 SNA;
- (d) Development of quarterly sector accounts;
- (e) Development of governments sector accounts;
- (f) Implementation of updated classification of assets for compilation of balance sheets.

21. Along with implementation of the 2008 SNA changes, the SSC worked to improve the overall quality of SNA indicators in current and constant prices, eliminate gaps and improve quality of SNA accounts and balance sheets using new data sources, improve basic statistics and implement good practices of other countries. The most important activities included improvement the SNA indicators in constant prices, quarterly GDP, holding gains and losses, consumption of fixed capital, compilation of balance sheets and estimate of natural resources.

22. On the basis of these works, a major revision of SNA time series is foreseen.

III. Some issues related with estimation and allocation of FISIM

A. Methodological background

23. Some of the most significant changes in the 2008 SNA in terms of impact on the national accounts of Azerbaijan is the recommendation for calculating FISIM.

24. The method recommended in the 2008 SNA implies several changes to the 1993 SNA formula. For financial intermediaries, all loans and deposits are included, not just those made from intermediated funds. The reference rate should contain no service element and reflect the risk and maturity structure of deposits and loans.

25. The 2008 SNA recommends that the consumption of FISIM should be allocated between users (lenders and borrowers), treating the allocated amounts either as intermediate consumption by enterprises or as final consumption or exports.

26. In the 1993 SNA the total value of FISIM was measured as total property income receivable by financial intermediaries minus their total interest payable, excluding the value of any property income receivable from investment of their own funds i.e. that does not arise from financial intermediation.

27. The 1993 SNA recognized that in practice it may be difficult to find any method of allocating FISIM among different users and therefore accepted that some countries may prefer to continue to use the convention whereby the whole of the services are allocated to

intermediate consumption of a notional industry. This possibility has been removed in the 2008 SNA.

B. Problems of estimation and choice of method for the FISIM calculation

28. The transition to the new methods for calculating FISIM output and its reflection in the accounts required the presence of extensive and quite detailed information on assets, liabilities, income and expenditures of financial intermediaries, as well as transaction data on loans and deposits of the units belonging to the other sectors of the economy.

29. In order to get the necessary data, appropriate changes have been made in the questionnaires. This was achieved in close collaboration with the Central Bank, and agreement has been reached to obtain detailed balance sheets on the banking sector and other information for the calculations.

30. The calculation method was chosen taking into accounts the available data that allowed the compilation of the long-term and economically justified time series.

31. The analysis of the income received from financial intermediaries led to the conclusion that in Azerbaijan the value of FISIM, estimated in accordance with the 2008 SNA differs insignificantly from the net interest income of the financial corporations sector.

32. One of the main problems at the start of the estimations was to determine the reference interest rate.

33. The reference rate concept for FISIM was introduced already in the 1993 SNA as one of the possible methods of allocation of FISIM output between different users.

34. The reference rate to be used represents the pure cost of borrowing funds - that is, a rate from which the risk premium has been eliminated to the greatest extent possible and which does not include any intermediation services (see paragraph 6.128, 1993 SNA). In other words, the reference rate reflects the real market value of money assets at a certain time, borrowed or lent in a certain currency and with certain maturity.

35. The 2008 SNA proposes the rate prevailing for inter-bank borrowing and lending as a suitable choice for a reference rate. At the same time, it is recommended to differentiate the reference rates for the different currencies in which the loans and deposits are denominated.

36. The analysis of the data on inter-bank lending rates by maturity and currency, developed by the Central Bank of Azerbaijan, showed that these rates are not suitable for the role of the reference rate.

37. As seen from the figures below, for a number of periods the rates on inter-bank loans are lower than the rates on deposits used for transactions with non-banking sectors.

Figure 1
Interest rates on long-term loans and deposits in national currency

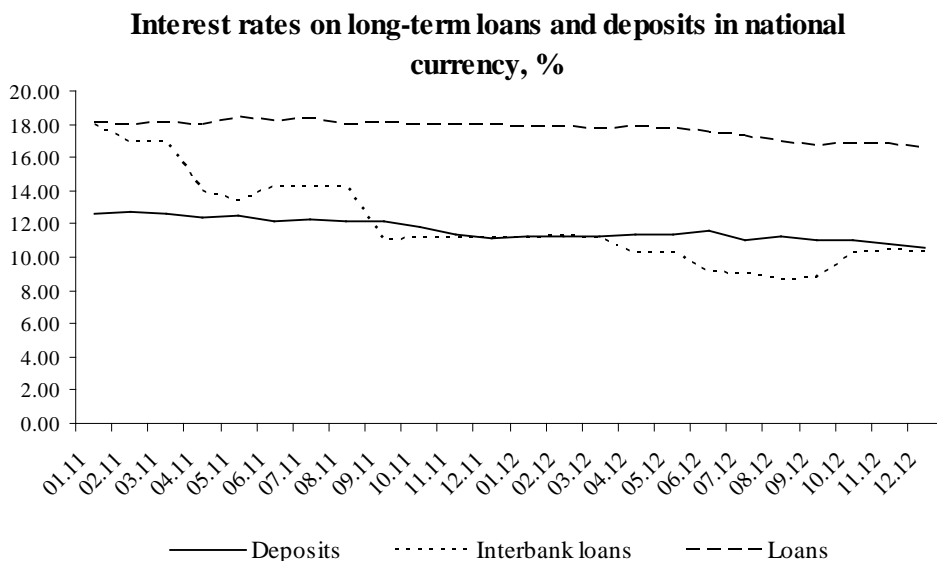


Figure 2
Interest rates on long-term loans and deposits in foreign currency

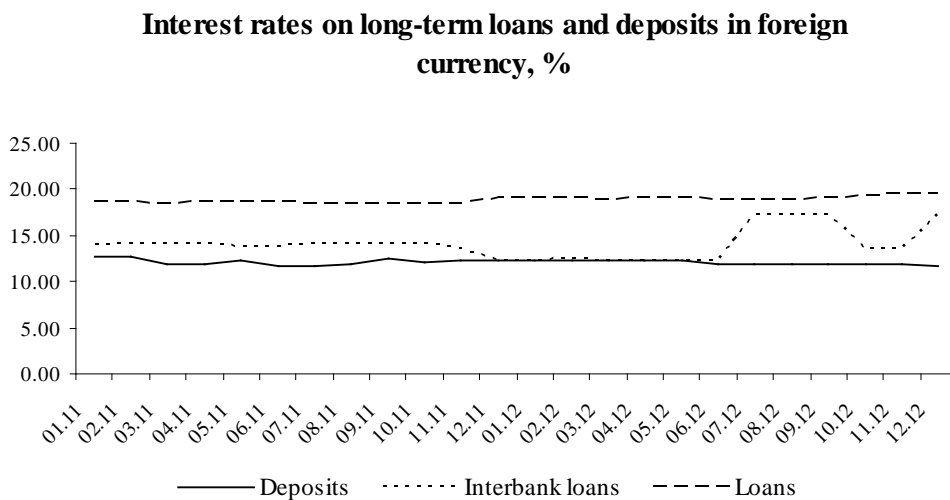


Figure 3
Average interest rates on loans and deposits in national currency

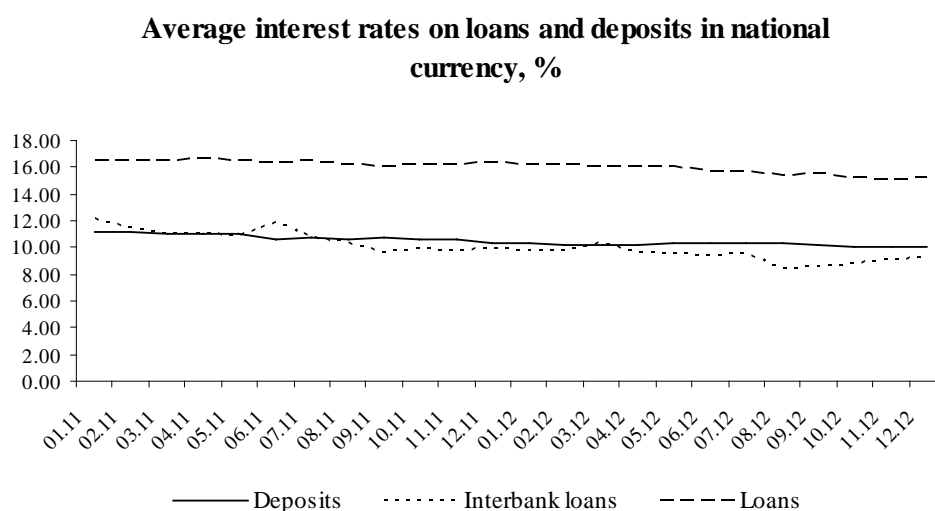
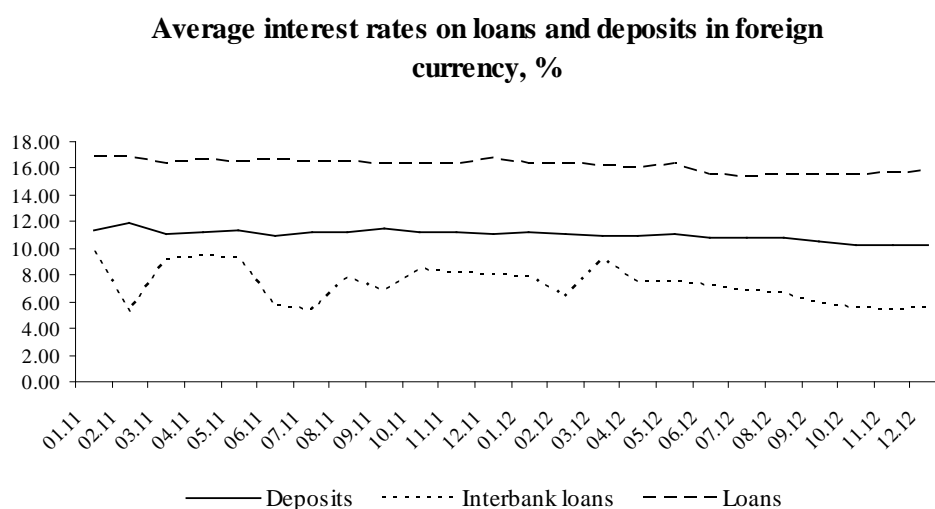


Figure 4
Average interest rates on loans and deposits in foreign currency



38. It turned out that the funds lent to finance certain segments of the economy from government anti-crisis measures, as well as the inter-bank lending resulting from bilateral agreements with low interest rates, have a significant impact on inter-bank lending interest rates in the country.

39. Thus, application of inter-bank interest rates required identification of those “market stocks and interest rates from the total mass of loans. In addition to this, estimate of FISIM for each group of “non-market” loans was necessary.

40. Due to the absence of all of the necessary information for the calculations, and taking into account the big resource burden, other variants of estimation based on available data sources were considered.

41. Finally, the variant of calculation based on data on stocks and interest rates on loans and deposits of legal entities and physical persons denominated in national and foreign currencies was chosen. Due to the assumed difference in demand, separate reference rates were estimated – on financial assets denominated in national currency and on financial assets denominated in foreign currencies. The reference rates were calculated as weighted averages of the interest rates on loans and deposits, weighted by their stocks.

Figure 5

Calculated reference rates for assets in national currency

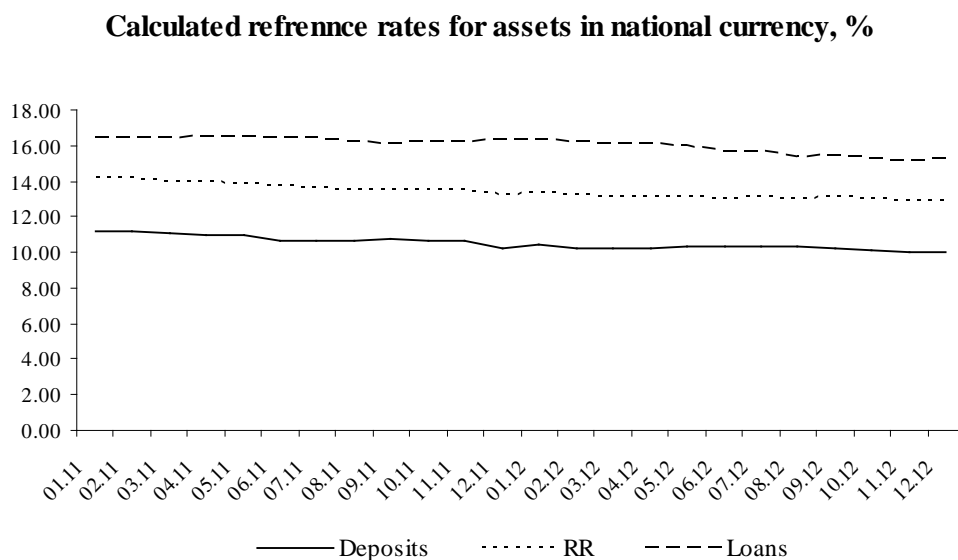
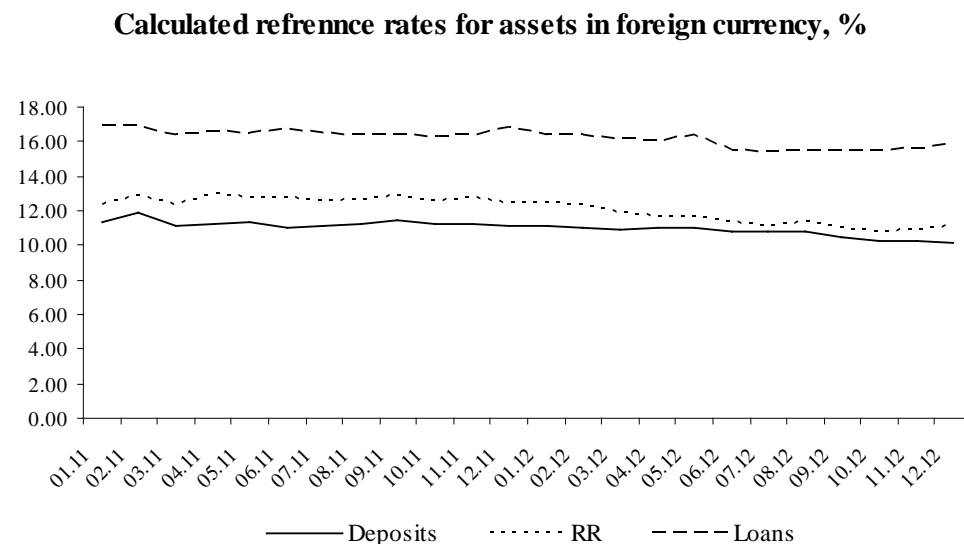


Figure 6

Calculated reference rates for assets in foreign currency



42. Such an approach allowed avoidance of negative FISIM values for the different users.

43. The stocks of loans and deposits were allocated by institutional sectors and sub-sectors based on data provided by the Central Bank.

44. Given the small share of transactions on loans and deposits with “the rest of the world” and the absence of all the necessary data, export and import of FISIM have not been calculated.

45. The procedures of FISIM calculation and its allocation by consumer sectors are shown in Annex 1.

Table 1

Allocation of FISIM among different users

Data for 2011, millions manats

	Non-financial corporations	Financial corporations	General government	Households	including:			NPISHs	Total
					entrepreneurs	owner-occupiers	consumers		
FISIM on loans	49,0	1,1	0,0	196,6	14,5	27,2	155,0	0,0	246,7
FISIM on deposits	206,1	66,2	8,5	59,6	0,3	10,8	48,5	5,0	345,5
FISIM (Total)	255,1	67,3	8,5	256,2	14,8	38,0	203,5	5,0	592,2
Share of FISIM by sectors	43,1%	11,4%	1,4%	43,3%	2,5%	6,4%	34,4%	0,8%	100 %

46. According to the results of calculations shown in Annex 1, we can see that the main part of FISIM output produced in 2011 (63.4%) was consumed by market producers and by producers for own final use – that is, financial and non-financial corporations, unincorporated enterprises owned by households and owner-occupiers. When FISIM is allocated by the directions of use, the whole of this output should be classified as intermediate consumption of the corresponding institutional sectors.

47. The FISIM output used by general government units and NPISHs is also recorded in intermediate consumption, but the same amount must also be recorded in the output and the final consumption of these sectors, because the output of non-market producers is calculated as sum of production costs. Therefore, FISIM distribution does not influence to the volume of value added produced in these sectors.

48. The total FISIM output used by household-consumers is classified as final consumption of households.

49. Table 2 shows the distribution of FISIM output by user sectors and directions of use.

Table 2
Allocation of FISIM among different categories of users, and direction of use

Data for 2011, millions manats

	Total	Interme- diate consump- tion	Output	Final consumption of general government	Final consump- tion of NPISHs	Final consump- tion of households
		P2	P1	P3	P3	P3
Non-financial corporations	255.1	255.1				
Financial corporations	67.3	67.3				
General government	8.5	8.5	8.5	8.5		
Households	256.2	52.8				203.5
- entrepreneurs	14.8	14.8				
- owner-occupiers	38.0	38.0				
- consumers	203.5					203.5
NPISHs	5.0	5.0	5.0		5.0	
Total	592.2	388.7	13.6	8.5	5.0	203.5

C. The impact of FISIM allocation to national accounts aggregates

50. As can be seen from the data in Annex 2, despite the increase of intermediate consumption of all sectors of the economy as a result of allocation of FISIM, the value added increased by 217.0 million manats, or 0.4% in comparison with the old method, when the whole of FISIM output was allocated to the intermediate consumption of a notional sector. This difference occurred due to the part of FISIM that was allocated to final consumption of households, general government and NPISHs.

51. The change in the method for recording of FISIM led to changes of some flows and balancing items from production account to the use of income account, but at the same time it did not change the value of saving by institutional sectors.

52. In the transition to the method of allocation of FISIM output to user sectors, the changes in the recording of property income from interest require special consideration. It is known that while the total FISIM output is allocated to the intermediate consumption of a notional sector, the entries in the allocation of primary income account show the actual amount of interest payable and receivable. So these values include a portion of the interest payments, which have been identified as charges for financial intermediation services.

53. In this case, double counting is eliminated by the introduction of a special adjustment item, consolidating the negative value added (and thus operating surplus) in the notional sector with that of financial corporations.

54. When the value of the services provided by financial intermediaries is allocated among different users, the actual payments or receipts of interest to or from financial intermediaries need to be adjusted to eliminate the margins that represent the implicit charges made by financial intermediaries. The amounts of interest paid by borrowers to financial intermediaries must be reduced by the estimated value of the charges payable, while the amounts of interest receivable by depositors must be similarly increased.

55. Table 3 below shows the recalculation of property income due to allocation of FISIM using the data in Tables 1 and 2.

Table 3

Procedure for recalculating property income records when FISIM is allocated

Data for 2011, millions manats

Transactions	Non-financial corporations	Financial corporations	General government	Households	NPISHs	Total economy
	S11	S12	S13	S14	S15	S1
Property income (receivable)	229.5	1 626.7	15 448.6	648.5	2.3	17 955.6
<i>FISIM on deposits</i>	+206.1	+66.2	+8.5	+59.6	+5.0	+345.5
<i>FISIM on loans (total)</i>		-246.7				-246.7
Property income (receivable) *	435.6	1 446.2	15 457.1	708.1	7.3	18 054.3
Property income (payable)	20 897.5	476.8	105.1	298.0	0.1	21 777.5
<i>FISIM on loans</i>	-49.0	-1.1	-0.0	-196.6	-0.0	-246.7
<i>FISIM on deposits (total)</i>		+345.5				+345.5
Property income (payable) *	20 848.5	821.2	105.1	101.4	0.1	21 876.2

* - when FISIM is allocated

56. Annex 3 presents an example with 2011 data, when FISIM output is allocated to the intermediate consumption of a notional sector and Annex 4 - when FISIM is allocated to different user sectors.

IV. Conclusion

57. The work done for FISIM estimation shows that calculations should be carried out on separate groups of loans and deposits, differentiated by maturity and currency of denomination.

58. If the interest rates on loans are significantly different, then it is better to use different reference rates for different currencies.

59. The credits provided by government sector units and by the Central Bank through corresponding banks below market rates must be reviewed separately, firstly in view of the proper calculation of FISIM and secondly in view of proper recording of the property income flows in terms of the implicit subsidies.

60. At this stage, SSC will continue the joint work with the Central Bank to improve the database for calculation of the transactions related to financial assets, as well as the efforts to calculate export and import of FISIM.

Annex 1

Procedures of FISIM calculation and its allocation by consumer sectors

Table 1

FISIM on loans denominated in national currency (data for 2011), millions manats

	№	Non-financial corporations	Financial corporations	General government	Households	including:			NPISHs
						entrepreneurs	owner-occupiers	consumers	
Stocks on loans	1	3222,1	123,3	0,6	2017,0	146,1	474,2	1396,7	0,6
Rates on loans	2	14,4%	14,4%	14,4%	19,4%	19,4%	19,4%	19,4%	14,4%
Reference rate	3	13,7%	13,7%	13,7%	13,7%	13,7%	13,7%	13,7%	13,7%
FISIM	4=(2-3)*1	23,5	0,9	0,0	115,6	8,4	27,2	80,0	0,0

Table 2

FISIM on loans denominated in foreign currency (data for 2011), millions manats

	№	Non-financial corporations	Financial corporations	General government	Households	including:			NPISHs
						entrepreneurs	owner-occupiers	consumers	
Stocks on loans	1	2498,4	18,3	0,0	760,2	57,5	0,0	702,7	0,0
Rates on loans	2	13,7%	13,7%	13,7%	23,3%	23,3%	23,3%	23,3%	13,7%
Reference rate	3	12,7%	12,7%	12,7%	12,7%	12,7%	12,7%	12,7%	12,7%
FISIM	4=(2-3)*1	25,5	0,2	0,0	81,0	6,1	0,0	74,9	0,0

Table 3

FISIM on deposits denominated in national currency (data for 2011), millions manats

	№	Non-financial corporations	Financial corporations	General government	Households	including:			NPISHs
						entrepreneurs	owner-occupiers	consumers	
Stocks on deposits	1	1113,8	511,5	23,8	1685,0	12,4	304,9	1367,8	37,6
Rates on deposits	2	6,1%	6,1%	6,1%	11,4%	11,4%	11,4%	11,4%	6,1%
Reference rate	3	13,7%	13,7%	13,7%	13,7%	13,7%	13,7%	13,7%	13,7%
FISIM	4=(3-2)*1	85,0	39,1	1,8	38,8	0,3	7,0	31,5	2,9

Table 4

FISIM on deposits denominated in foreign currency (data for 2011), millions manats

	№	Non-financial corporations	Financial corporations	General government	Households	including:			NPISHs
						entrepreneurs	owner-occupiers	consumers	
Stocks on deposits	1	2323,7	521,7	129,1	1776,9	1,4	321,5	1453,9	41,3
Rates on deposits	2	7,4%	7,4%	7,4%	11,5%	11,5%	11,5%	11,5%	7,4%
Reference rate	3	12,7%	12,7%	12,7%	12,7%	12,7%	12,7%	12,7%	12,7%
FISIM	4=(3-2)*1	121,0	27,2	6,7	20,8	0,0	3,8	17,0	2,2

Annex 2

Changes in the main SNA indicators due to the FISIM allocation

Data for 2011, millions manats

Операции и балансирующие статьи	Нефинан- совые корпора- ции	Финансо- вые корпора- ции	Государ- ственное управле- ние	Домаш- ние хозяйства	НКОДХ	Эконо- мика в целом	УФПИК	Всего
	S11	S12	S13	S14	S15	S1		
Output	47 516.5	933.0	4 659.4	16 947.9	291.0	70 347.8		70 347.8
Output *	47 516.5	933.0	4 667.9	16 947.9	296.0	70 361.3		70 361.3
<i>Difference</i>	<i>0.0</i>	<i>0.0</i>	<i>8.5</i>	<i>0.0</i>	<i>5.0</i>	<i>13.5</i>		<i>13.5</i>
Intermediate consumption	12 648.3	161.7	1 821.0	6 160.0	155.6	20 946.6	592.2	21 538.8
Intermediate consumption *	12 903.4	229.0	1 829.5	6 212.8	160.6	21 335.3		21 335.3
<i>Difference</i>	<i>255.1</i>	<i>67.3</i>	<i>8.5</i>	<i>52.8</i>	<i>5.0</i>	<i>388.7</i>	<i>-592.2</i>	<i>-203.5</i>
Value added	34 868.2	771.3	2 838.4	10 787.9	135.4	49 401.2	- 592.2	48 809.0
Value added *	34 613.1	704.0	2 838.4	10 735.1	135.4	49 026.0		49 026.0
<i>Difference</i>	<i>-255.1</i>	<i>-67.3</i>	<i>0.0</i>	<i>-52.8</i>	<i>0.0</i>	<i>-375.2</i>	<i>592.2</i>	<i>217.0</i>
Operating surplus / mixed income (gross)	29 864.8	451.5	217.6	10 726.1	103.2	41 363.2	-592.2	40 771.0
Operating surplus / mixed income (gross) *	29 609.7	384.2	217.6	10 673.3	103.2	40 988.0		40 988.0
<i>Difference</i>	<i>-255.1</i>	<i>-67.3</i>	<i>0.0</i>	<i>-52.8</i>	<i>0.0</i>	<i>-375.2</i>	<i>592.2</i>	<i>217.0</i>
Balance of primary incomes (gross) / GNI	9 196.8	1 009.2	18 894.1	19 096.6	105.4	48 302.1		48 302.1
Balance of primary incomes (gross) / GNI *	9 196.8	1 009.2	18 902.6	19 300.0	110.4	48 519.1		48 519.1
<i>Difference</i>	<i>0.0</i>	<i>0.0</i>	<i>8.5</i>	<i>203.5</i>	<i>5.0</i>	<i>217.0</i>		<i>217.0</i>
Disposable income (gross)	7 102.4	928.2	20 639.7	20 367.2	225.0	49 262.5		49 262.5
Disposable income (gross) *	7 102.4	928.2	20 648.2	20 570.6	230.0	49 479.5		49 479.5
<i>Difference</i>	<i>0.0</i>	<i>0.0</i>	<i>8.5</i>	<i>203.5</i>	<i>5.0</i>	<i>217.0</i>		<i>217.0</i>
Final consumption expenditure			3 951.6	14 845.4	168.1	18 965.1		18 965.1
Final consumption expenditure *			3 960.1	15 048.9	173.1	19 182.1		19 182.1
<i>Difference</i>			<i>8.5</i>	<i>203.5</i>	<i>5.0</i>	<i>217.0</i>		<i>217.0</i>

* - when FISIM is allocated

Annex 3

Indicators of accounts in 2011, output of FISIM recorded as intermediate consumption of a notional industry

Millions manats

Transactions and balancing items	Code	Non-financial corporations	Financial corporations	General government	Households	NPISHs	Total economy	FISIM	ROW	Total
		S11	S12	S13	S14	S15	S1		S2	
<u>Production account</u>										
Resources										
Gross output	P1	47 516.5	933.0	4 659.4	16 947.9	291.0	70 347.8			70 347.8
Uses										
Intermediate consumption	P2	12 648.3	161.7	1 821.0	6 160.0	155.6	20 946.6	592.2		21 538.8
Gross value added (basic prices)	B1g	34 868.2	771.3	2 838.4	10 787.9	135.4	49 401.2	- 592.2		48 809.0
<u>Generation of income account</u>										
Resources										
Gross value added (basic prices)	B1g	34 868.2	771.3	2 838.4	10 787.9	135.4	49 401.2	- 592.2		48 809.0
Uses										
Compensation of employees	D1	4 811.2	316.2	2 602.5		31.1	7 761.0			8131.6
Other taxes on production	D29	192.2	3.6	18.3	61.8	1.1	277.0			277.0
Other subsidies on production (-)	D39	0.0	0.0	0.0	0.0	0.0	0.0			0.0
Operating surplus / mixed income (gross)	B2g / B3g	29 864.8	451.5	217.6	10 726.1	103.2	41 363.2	-592.2		40 771.0

Transactions and balancing items	Code	Non-financial corporations	Financial corporations	General government	Households	NPISHs	Total economy	FISIM	ROW	Total
		S11	S12	S13	S14	S15	S1		S2	
<u>Allocation of primary income account</u>										
Resources										
Operating surplus / mixed income (gross)	B2g / B3g	29 864.8	451.5	217.6	10 726.1	103.2	41363.2	-592.2		40 771.0
Compensation of employees	D1				8 020.0		8 020.0		111.6	8 131.6
Taxes on production and import (+)	D2			3 460.0			3 460.0			3 460.0
Subsidies	D3			127.0			127.0			127.0
Property income (receivable)	D4	229.5	1 626.7	15 448.6	648.5	2.3	17 955.6		4 530.7	22 486.3
<i>Adjustment for FISIM</i>			- 592.2				-592.2	592.2		0.0
Uses										
Compensation of employees	D1								370.6	370.6
Taxes on production and import (+)	D2									
Subsidies	D3									
Property income (payable)	D4	20 897.5	476.8	105.1	298.0	0.1	21 777.5		708.8	22 486.3
Balance of primary incomes (gross) / GNI	B5g	9 196.8	1 009.2	18 894.1	19 096.6	105.4	48302.1	0.0		48302.1

Transactions and balancing items	Code	Non-financial corporations	Financial corporations	General government	Households	NPISHs	Total economy	FISIM	ROW	Total
		S11	S12	S13	S14	S15	S1		S2	
<u>Secondary distribution of income account</u>										
Resources										
Balance of primary incomes (gross) / GNI	B5g	9 196.8	1 009.2	18 894.1	19 096.6	105.4	48302.1			48302.1
Current transfers (receivable)	B5-B7	148.1	130.5	4 419.3	4 541.4	140.9	9 380.2		971.4	10 351.6
Uses										
Current transfers (payable)	B5-B7	2 242.5	211.5	2 673.7	3 270.8	21.3	8419.8		1931.8	10 351.6
Disposable income (gross)	B6g	7 102.4	928.2	20 639.7	20 367.2	225.0	49 262.5			49 262.5
<u>Use of disposable income account</u>										
Resources										
Disposable income (gross)	B6g	7 102.4	928.2	20 639.7	20 367.2	225.0	49 262.5			49 262.5
Uses										
Final consumption expenditure	P3			3 951.6	14 845.4	168.1	18965.1			18 965.1
Saving (gross)	B8g	7 102.4	928.2	16 688.1	5 521.7	56.9	30 297.4			30 297.4

Annex 4**Indicators of accounts in 2011, output of FISIM is allocated among different customers**

Million manats

Transactions and balancing items	Code	Non-financial corporations	Financial corporations	General government	Households	NPISHs	Total economy	ROW	Total
		S11	S12	S13	S14	S15	S1	S2	
<u>Production account</u>									
Resources									
Gross output	P1	47 516.5	933.0	4 667.9	16 947.9	296.0	70 361.3		70 361.3
Uses									
Intermediate consumption	P2	12 903.4	229.0	1 829.5	6 212.8	160.6	21 335.3		21 335.3
Gross value added (basic prices)	B1g	34 613.1	704.0	2 838.4	10 735.1	135.4	49 026.0		49 026.0
<u>Generation of income account</u>									
Resources									
Gross value added (basic prices)	B1g	34 613.1	704.0	2 838.4	10 735.1	135.4	49 026.0		49 026.0
Uses									
Compensation of employees	D1	4 811.2	316.2	2 602.5		31.1	7 761.0		8131.6
Other taxes on production	D29	192.2	3.6	18.3	61.8	1.1	277.0		277.0
Other subsidies on production (-)	D39	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Operating surplus / mixed income (gross)	B2g / B3g	29 609.7	384.2	217.6	10 673.3	103.2	40988.0		40988.0

Transactions and balancing items	Code	Non-financial corporations	Financial corporations	General government	Households	NPISHs	Total economy	ROW	Total
		S11	S12	S13	S14	S15	S1	S2	
<u>Allocation of primary income account</u>									
Resources									
Operating surplus / mixed income (gross)	B2g / B3g	29 609.7	384.2	217.6	10 673.3	103.2	40988.0		40988.0
Compensation of employees	D1				8 020.0		8020.0	111.6	8131.6
Taxes on production and import (+)	D2			3 460.0			3460.0		3460.0
Subsidies	D3			127.0			127.0		127.0
Property income (receivable)	D4	435.6	1 446.2	15 457.1	708.1	7.3	18054.3	4 530.7	22585.0
Uses									
Compensation of employees	D1							370.6	370.6
Taxes on production and import (+)	D2								
Subsidies	D3								
Property income (payable)	D4	20 848.5	821.2	105.1	101.4	0.1	21876.2	708.8	22585.0
Balance of primary incomes (gross) / GNI	B5g	9 196.8	1 009.2	18 902.6	19 300.0	110.4	48519.1		48519.1

Transactions and balancing items	Code	Non-financial corporations	Financial corporations	General government	Households	NPISHs	Total economy	ROW	Total
		S11	S12	S13	S14	S15	S1	S2	
<u>Secondary distribution of income account</u>									
Resources									
Balance of primary incomes (gross) / GNI	B5g	9 196.8	1 009.2	18 902.6	19 300.0	110.4	48519.1		48519.1
Current transfers (receivable)	B5-B7	148.1	130.5	4 419.3	4 541.4	140.9	9380.2	971.4	10351.6
Uses									
Current transfers (payable)	B5-B7	2 242.5	211.5	2 673.7	3 270.8	21.3	8419.8	1931.8	10351.6
Disposable income (gross)	B6g	7 102.4	928.2	20 648.2	20 570.6	230.0	49479.5		49479.5
<u>Use of disposable income account</u>									
Resources									
Disposable income (gross)	B6g	7 102.4	928.2	20 648.2	20 570.6	230.0	49479.5		49479.5
Uses									
Final consumption expenditure	P3			3 960.1	15 048.9	173.1	19182.1		19182.1
Saving (gross)	B8g	7 102.4	928.2	16 688.1	5 521.7	56.9	30297.4		30297.4