

Methodological note

Unless otherwise indicated, when data are compared from year to year, they all relate to the same period of the years in question. In the tables, the totals shown may differ from the sum of the items owing to rounding.

In order to provide an update on various key economic data relating to Belgium in the year 2013 as a whole, it was necessary to make estimates, as the statistical material for that year is sometimes still fragmentary. In the tables and charts, these estimates, which were finalised at the end of January 2014, are marked "e". They represent mere orders of magnitude intended to demonstrate the trends which already seem to be emerging. The Belgian sources used are mainly the NAI, the DGSEI and the Bank. The comments on the international environment and the comparisons between economies are usually based on the latest data or estimates originating from institutions such as the EC, the IMF, the OECD and the ECB.

The monetary unit used in the Report for the data concerning the euro area member countries is the euro. Amounts relating to periods before the introduction of the euro, on 1 January 1999 for Belgium and for most of the member countries, are converted at the irrevocable euro conversion rates. Except in the chapters on monetary policy and prices, where the definition coincides with the historical reality, the euro area is defined wherever possible in this Report as consisting of all the EU countries which adopted the single currency during the period 1999-2013. Apart from Belgium, the area therefore consists of Austria, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. For convenience, the term "euro area" is also used to designate this group of countries for periods prior to the start of Stage 3 of EMU. For some analyses, the preferred source was the OECD which includes in the euro area only the countries which are members of that international institution, i.e. excluding Cyprus and Malta. In view of the small size of those economies, the OECD data are perfectly representative of the euro area as a whole.

Since 1999, the NAI, in accordance with the obligation imposed by Eurostat, has applied the ESA 95 methodology for compiling the national accounts⁽¹⁾. As far as possible, the Report incorporates the definitions and methods resulting from ESA 95. However, it still expresses the data in gross terms although this new system presents the main aggregates derived from the national accounts in the form of net results for consumption of fixed capital. Gross data have the advantage of reducing the problem connected with the valuation of depreciation, which is based on the assumption of perfect knowledge of the stock of fixed capital. Furthermore, gross data make it easier to interpret certain movements such as those of the gross operating surplus. For simplicity, the sectoral breakdown

(1) For fuller information concerning the ESA 95, see the NAI publication entitled *Comptes nationaux 1998 – Partie 1 : Estimation des agrégats annuels*. The changes caused by the switch to ESA 95 for the account of general government are specified in more detail in another publication from the same source, entitled *Comptes nationaux 1998 – Partie 3 : Comptes des administrations publiques*.

groups together, under the heading "individuals", households and non-profit institutions serving households, which constitute separate sectors according to the ESA 95 methodology. Nevertheless, the terms "individuals" and "households" are used as synonyms. The terms "corporations" and "enterprises" are also frequently used as synonyms, whereas in the commentary from the GDP expenditure angle, "enterprises" also covers self-employed persons, who are included under households in the real and financial sectoral accounts.

The Belgian national accounts, like those of other European countries, have undergone a series of important methodological revisions in recent years, affecting in particular the breakdown of price and volume effects. The changes thus made were explained by the NAI in the publication of the detailed national accounts in December 2005, November 2006 and October 2009. Thus, since 2006, the volume series have been expressed in prices of the year preceding the one for which they were first published, while according to the previous practice they were expressed at prices of a fixed base year (2000, in the 2005 edition of the national accounts). This modification makes it possible to "chain" the volume change in the aggregates or sub-aggregates. According to this method, their volume growth between two consecutive periods is calculated systematically by reference to the previous year's prices and weights. The changes between consecutive periods are linked together (cumulated) to give a chained index. When the chained index of an aggregate or sub-aggregate is applied to the amount (level) of a reference year, such as 2011, as in the official national accounts published in September 2013, that provides a measure of the volume change in "chained euros (reference year 2011)". The use of chaining leads to a loss of additivity in regard to the volume levels (except for the figures relating to the reference year and the year immediately following it). This implies, for example, that in the case of chained level series, GDP is not equal to the sum of its components.

In the section devoted to the international environment, the presentation is also consistent with the ESA 95 or its equivalent, the System of National Accounts published jointly by the United Nations, the World Bank, the EC, the IMF and the OECD (SNA 1993). Nevertheless, the statistics from the sources to which reference is made in the Report, principally the EC and the OECD, are not always uniform, because the periods for which the methodological revision or the conversions from one system to the other have been carried out still vary greatly from one country to another.

The breakdown of the financial accounts between individuals and corporations is largely based on data from Belgian financial institutions. The information making it possible to break down the financial transactions between the private sector and the other sectors, especially transactions with foreign countries or those effected within the non-financial corporations sector itself, is much more fragmentary. The main statistics which can be used for this purpose, namely the globalisation of the annual accounts of enterprises compiled by the Bank's Central Balance Sheet Office, are in fact partial, are produced only annually and are available only after a time lag of several months. It has therefore been necessary to introduce some assumptions and make various estimates.