

Users should read this note before reading *Expenditure on Gross Domestic Product: Sources and Methods*

The national accounts are a massive framework designed to measure, evaluate, classify, organise, confront and adjudicate basic data so that the conditions laid down by two basic equalities can be met: supply is equal to demand, and the product of a quantity and its respective price is equal to a value.

Expenditure on Gross Domestic Product: Sources and Methods is a supplement to the historical quarterly time series for 2010–2015. It identifies in detail which data were considered to represent demand and its respective value and quantity, or more precisely, demand measured at current and at constant prices.

The supplement marks a first as it is the first time a description of such detail is made available to the public. And because it is a first it has a dual role. On the one hand it is the answer to the question that should be applied to each of the published figures: Where did the underlying information come from? On the other hand, it creates a basis to answer the question: Is this an effective way to answer the first question?

The answer to both questions is in a state of change. In a number of key instances, currently available information is earmarked for significant improvement. Whereas the initiative to introduce such improvements lies with Statistics South Africa, the answer to the second question depends critically on the interest and attention displayed by you – the users of the national accounts.

It is because we depend on how users react to the notes on sources and methods that it is so important to start a dialogue, and it is also the reason why at this stage the only form of publication envisaged is electronic. Our plans are to allow critical comments to flow in before a conventionally published version of the notes on sources and methods is issued. This should take place by March 2017 and will rely on the endorsement of the South African Statistics Council.

The structure of the notes is a simple one. The notes are divided into the major components of expenditure on GDP and each chapter contains a definition of the variable(s) measured and an identification of the publication or publicly available records where the basic information can be found. Naturally strict confidentiality of individual data is protected, as is always the case with official statistics, so that what is publicly available is in more aggregate form than what was actually used.

In addition to a definition and an identification of source the notes also deal with the method of compilation and the nature of the adjustments brought about to have definitions of the basic series conform to the standard definitions (System of National Accounts 2008) of their counterparts. But there is comparatively less detail on methods to avoid tedious and excessive repetition. Interested users are welcome to contact Stats SA (see details below) to get a better idea of how the basic accounts are put together.

The requirements of official statistics make it imperative to publish a supplement on sources and methods of any major body of statistics. But its usefulness and prospects of further development depend very much on what users tell us. We are inviting comments from interested users before publication of an updated version. Comments received on or before 31 August 2016 will be considered for the update.

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We thank you in advance for your interest and support.

23 May 2016