

METHODOLOGICAL NOTES

Population

Population estimates as of the beginning of year (period) in years between censuses are made on the basis of the most recent population census results, taking account of the current registration of demographic events.

Resident population are persons permanently resident in a particular area as well as foreign nationals and persons without citizenship temporarily resident in this area for more than one year.

Natural population movement is an accepted demographic designation of the birth, death, marriage and divorce processes.

Natural increase, decline (-) is the difference between the number of births and deaths during a given period. The natural increase can be positive if the number of birth exceeds the number of deaths, or negative (natural decline) if the number of deaths exceeds the number of birth.

Birth rate is calculated as a ratio of the number of live births in a period to the average number of the population in the same period. It is expressed as per mille (‰) and shows the number of births per 1000 population.

Death rate is calculated as a ratio of the number of deaths in a period to the average number of the population in the same period. It is expressed as per mille (‰) and shows the number of deaths per 1000 population.

Natural increase, decrease (-) rate is calculated as the difference between birth and death rates.

Marriage rate is a ratio of the number of marriages in a period to the average number of the population in the same period. It is expressed as per mille (‰) and shows the number of marriages per 1000 population.

Divorce rate is calculated as a ratio of the number of dissolved marriages in a period to the average number of the population in the same period. It is expressed as per mille (‰) and shows the number of dissolved marriages per 1000 population.

Infant mortality rate is defined as a ratio of the number of deaths under one year of age to the total number of births. It is expressed as per mille (‰) (per 1000 live births).

Migration is a physical movement of individuals from one area to another related to the changing of the place of residence.

Number of arrivals is the number of persons who arrived in a particular area from another area for permanent residence over a reference period.

Number of departures is the number of persons who left a particular area for another area for permanent residence over a reference period.

Net migration is equal to the difference between the numbers of arrivals and departures over a definite period of time. Migration gain may have a positive value if the number of arrivals exceeds that of departures, or a negative one (migration loss) if the number of departures exceeds that of arrivals.

Employment and unemployment

Population employed in the economy (further referred to as **employed population**) – persons in paid employment or performing some work for profit or gain, and also persons temporarily not at work. Unpaid family workers are included.

Unemployed registered with agencies for labour, employment and social protection are defined as persons of working age, permanently resident in the Republic of Belarus and having no work or earnings, who are registered with agencies for labour, employment and social protection at the place of their permanent residence for work search, are seeking work, and are available for work.

Registered unemployment rate is defined as a ratio of the number of unemployed registered with agencies for labour, employment and social protection to the number of economically active population (employed and unemployed registered with agencies for labour, employment and social protection).

Standard of living

Money incomes of population comprise compensation of labour, incomes from entrepreneurial and other income-generating activities, transfers to population (pensions, benefits, scholarships and other transfers to population), property incomes (interest on deposits, dividends and other property incomes), and other incomes (returns from sales of agricultural produce) other incomes.

Disposable money incomes of population are money incomes of population less taxes, fees and duties.

Real disposable money income of population is a relative measure calculated by dividing the nominal growth rates of disposable money incomes of population by the consumer price index of goods and services for a corresponding time period.

Per capita money income is calculated by dividing the total money income of the population by the average annual population.

Nominal gross average monthly wages and salaries are calculated by dividing the accrued wage fund before income tax and compulsory insurance contributions of employees by the average payroll number of employees and by the number of months in a period.

Real wages and salaries characterize the purchasing power of wages and salaries in the reference period as related to price changes of consumer goods and services as compared with the base period. For this, real wage index is calculated by dividing the nominal gross wages and salaries index by the consumer price index for the same time period.

Average pension size is defined by dividing the total amount of pensions granted by the number of pensioners.

Real pensions characterize the purchasing power of pensions granted in the reference period as related to the price changes of consumer goods and services in comparison with the base period. For this, real pension index is calculated by dividing the average pension index by the consumer price index for the same time period.

Gross domestic product

Gross domestic product (GDP) is a generalizing indicator of the economic activity of a country. GDP can be estimated with three methods: by production approach, by income approach, and by expenditure approach.

GDP can be calculated at current prices (nominal GDP) and constant prices (real GDP).

GDP deflator index is a ratio of GDP at current prices to GDP at prices of the base period. Unlike price index of goods and services, the GDP deflator reflects changes in the compensation of labour, operating surplus (including mixed income) and consumption of fixed capital, taxes and subsidies as a result of price changes.

GDP by production approach is calculated as a sum of gross values added of all economic activities and net taxes on products (taxes on products less subsidies on products). Gross value added is defined as the difference between the value of goods and services produced in the reference period (output) and the value of goods and services fully consumed in the process of production (intermediate consumption) in the same period.

GDP by income approach reflects primary incomes received by entities, which directly participate in production, as well as by the government and non-profit institutions serving households. The balancing item here is the gross operating surplus and gross mixed income, which are defined as the difference between the gross domestic product calculated with production method, compensation of employees, and net taxes on production and imports.

The method of **constructing GDP by income approach** allows for determining the GDP structure in terms of primary incomes, i.e. compensation of employees, taxes on production and import, gross operating surplus of the economy and gross mixed income.

Compensation of employees is defined as the total remuneration, in cash or in kind, payable by employer to employee for work done during the accounting period. It is recorded on the basis of accrued amounts i.e. before taxes and other deductions payable in compliance with the legislation of the Republic of Belarus. Compensation of employees reflects remuneration of all employees of resident organisations irrespective of whether these employees are residents or non-residents.

Taxes on production and import include taxes on products and other taxes on production.

Taxes on products are taxes charged proportionally to the quantity or value of goods and services produced and sold or imported by resident units. These refer to value added tax, excise taxes, customs fees, import customs duties, etc.

Subsidies on products are subsidies payable per unit of a good or service produced, i.e. proportionally to the quantity or value of goods and services produced and sold or imported by residents.

The term “net” means that taxes on products are shown after the deduction of subsidies on products.

Other taxes on production are taxes related to the use of factors of production (land, assets, labour force) as well as the official fee for a special license to carry out selected activities, or other compulsory payments which are necessary for carrying out residents’ activities. Other taxes on production comprise taxes on immovable property, on construction in progress; land tax for organisations; tax on immovable property payable by organisations, special charges and duties; environmental tax, and tax on extraction / withdrawal of natural resources.

Gross operating surplus is the part of gross value added which remains with producers after the deduction of compensation of employees and taxes on production and import. The surplus generated from the operating activities of organisations owned by households is referred to as **gross mixed income** because it comprises a labour remuneration component which is inseparable from the owner’s income.

GDP by expenditure approach represents a sum of final consumption expenditures of households, general government and non-profit institutions serving households, gross capital formation and net exports (less imports) of goods and services.

Household final consumption expenditure consists of expenditures incurred by households on consumption goods and services to meet personal needs.

General government final consumption expenditure consists of expenditure incurred by general government on individual goods and services and collective services.

General government final consumption expenditure on individual goods and services consists of expenditure incurred by general government on consumption goods and services intended for individual consumption. Such kind of expenditure is funded from the budget.

General government final consumption expenditure on collective services. This indicator differs from the foregoing one in that it includes services which are funded from the budget and meet the needs not of individual households, but of the society as a whole or of selected population groups (defense, administration, roads, science).

Final consumption expenditures of non-profit institutions serving households are defined as expenditures incurred by public institutions on consumption goods and services provided to household free of charge, including health, education and cultural services provided by institutions to their employees.

Gross fixed capital formation shows the investment by resident units in fixed assets that will be used in production and thus generate new income in subsequent periods.

Changes in inventories comprise changes in production supplies, work-in-progress and semi-finished products, finished products, goods for sale and state stockpiles. Changes in inventories within a certain period are calculated as a difference between the closing stocks and opening stocks valued at average market prices of this period to eliminate the impact of price changes.

Net export of goods and services is defined as the difference between exports and imports of goods and services in value terms, and includes the turnover of Belarus trade with foreign countries including CIS countries.

Industry

Volume of industrial production measures the total output of finished and semi-finished products, work performed and services provided by the personnel of organisation to be sold to (ordered by) other organisations, population, non-production units of the same organisation and which are, according to the National Classification of Economic Activities, classified under Mining and Quarrying, Manufacturing, and Electricity, Gas and Water Supply activities.

The total volume of industrial production includes data on industrial outputs of legal entities (large and medium-sized organisations, small business entities) and their kind of activity units, individual entrepreneurs and households, regardless of the ownership type, which produce goods (works, services) in mining and quarrying, manufacturing, and electricity, gas and water supply sectors

Index of industrial production is a relative measure of changes in the outputs in the periods under comparison. The index of industrial production is computed using the production dynamics of representative goods and is based on the calculation of individual production indices of specific industrial products with their further step-by-step aggregation into production indices by economic activities and the index for the industry as a whole. The structure for aggregation of gross value added by economic activity for a base year is used here as weights.

Industrial output in physical terms is defined as total kinds, types and brands of industrial products. It is recorded according to the specific nomenclature and in corresponding units of measurement. Data on industrial output in physical terms are shown on the basis of gross output, i.e. including products used within organisations for own industrial and production needs as well as manufactured under contracts from materials supplied by customers.

Agriculture

Agricultural production is the total value of material goods and services created in the sector both for sale and for own consumption. Agricultural output consists of the value of animal and crop outputs, and the value of unfinished crop-growing production.

Farms of all types include:

- agricultural organisations which are defined as legal entities and local kind-of-activity units engaged in agricultural activities;
- private (peasant) farms;
- household plots.

Index of agricultural production is a relative measure reflecting changes in agricultural outputs in compared periods (at constant prices).

Number of livestock is a number of farm animals: cattle, pigs, sheep and goats.

Sales of livestock and poultry for slaughter (in live weight) are sales of livestock and poultry for slaughter through all channels of distribution, i.e. to meat processing organisations and cold storage plants; auxiliary production units of organisations; organisations of consumer cooperation; through public catering system; sold on markets and through other sales outlets.

Production of milk is defined as amount of actually yielded milk including milk used for in-house needs. The milk output does not include milk consumed by suckling calves.

Production of eggs is defined as the collection of eggs from all kinds of farm poultry, including eggs used for reproduction of poultry (incubation), production of egg powder, etc., as well as egg losses (breakage, spoiling, etc.).

Fixed capital investment and construction

Fixed capital investment represents total costs directed to acquisition, replacement and creation of new fixed assets. Fixed capital investment data include investment activities of small business entities that are legal persons. According to the technological structure, fixed capital investment is classified into the following work activities and costs: building and assembly; assembly of equipment; acquisition costs of machinery, equipment, transport vehicles, tools and implements; other works and costs.

Fixed capital investment out of foreign sources consists of foreign investment in fixed capital and investment in fixed capital drawn on foreign lines of credit.

Foreign fixed capital investment refers to funds received by organisations from abroad directly from foreign investors, including funds disbursed as foreign gratuitous aid by non-residents of Belarus; equipment received from abroad under leasing agreements under the terms of lease purchase; contributions to the authorized fund of organisations made by foreign investors in the form of immovable property or equipment; undistributed part of net profits of a foreign investor reinvested in the objects of investment activities (on purchase, reproduction and creation of new fixed assets) and credits (loans) of foreign banks (credits (loans) extended by indirect investors under direct agreements, against the guarantee of the Government of the Republic of Belarus, against bank guarantee, on mortgage, recognizance or under other terms, i.e. credits (loans), the liabilities to non-residents under which are recorded on the balance-sheets of organisations).

Credits on foreign lines of credit are bank credits on foreign credit lines received by organisations via the banks of the Republic of Belarus from non-resident banks to implement investment projects.

Volume index of fixed capital investment is a relative statistical measure defined as the ratio of fixed capital investment in the reference period to the base period at constant prices.

Commissioning of residential buildings in terms of total floor space includes total floor space of apartments of residential buildings, residence halls and living quarters in other buildings intended for private habitation, or to be used as work-related living quarters, and are subject to inclusion in the housing stock upon commissioning.

The **total floor space of residential buildings** is defined as a sum of total floor spaces of apartments in these buildings. The total floor space of apartments comprises the sum of floor spaces of habitable rooms, auxiliary rooms, built-in closets, as well as summer rooms (loggias, balconies, verandahs, terraces), and cold store-rooms, to which corresponding reduction factors are applied.

Transport and communications

Freight transported (volume of freight transportation) is the amounts, in tons, of cargoes carried by rail, motor road, air, inland water, and pipeline transport.

Freight transportation by motor road transport cover commercial freight transportation by the transport of organisations with the economic activity in motor road freight transport and by individual entrepreneurs engaged in motor road freight transportation.

Transportation of products is the conveyance of products via transmission pipelines from the point of takeover from suppliers to the point of delivery to consumers.

Freight turnover is the volume of transport operation of cargo carriage. The unit of measurement here is ton-kilometers, i.e. carriage of one ton of cargo to the distance of one kilometer. It is calculated by summing up weight, in tons, of each consignment multiplied by the distance in kilometers.

Freight turnover of pipeline transport is the volume of conveyance of oil, oil products and gas via transition pipeline. It is measured by summing up gross tons (cubic meters) of products (oil, oil products and gas) taken over at the border of Belarus multiplied by the distance of transportation over the territory of Belarus to a filling point, oil storage depot, refinery, or gas distribution system.

Passengers transported (volume of passenger transportation) is the number of passengers transported over a specified period of time. Data on passenger transportation include passengers enjoying the right to free-fare travel.

Passenger turnover is the volume of transport operation of passenger conveyance. The unit of measurement here is passenger-kilometer, i.e. the conveyance of a passenger to the distance of one kilometer. It is measured by summing up the number of passengers for each transportation multiplied by the distance in kilometers.

Revenues from communications services are revenues accrued for the total postal, courier and telecommunications services provided. These include revenues from communications services supplied to legal entities, individual entrepreneurs and individuals.

Trade and services

Retail turnover is the sum of retail turnover of trade organisations and retail turnover at markets and in shopping centers.

Retail turnover of trade organisations is the value of goods sold to the population by trade organisations through retail (trade) network or by organisations carrying out other activities, with cash paid through their own pay-office, for personal consumption or domestic use.

Retail turnover at markets and in shopping centers is the value of consumption goods sold to the population at markets and in shopping centers for personal consumption or domestic use. It is measured using sample statistical survey results.

Turnover of public catering is the value of own culinary products as well as purchased goods sold to the population for cash through catering outlets (restaurants, cafes, bars, canteens, etc.) mainly for consumption on-the-spot without cooking, and also sold to legal entities and individual entrepreneurs for cash and non-cash payments for the organisation of catering of different population groups.

Volume index of retail turnover and turnover of public catering is a relative measure of dynamics expressed as a percentage. It reflects changes in turnover over time assuming the prices in the reference period have not changed as compared with the base period.

Volume of paid services for population reflects the volume of different types of services consumed by the population and is measured in terms of total money amounts paid by individuals or by their employers (out profits) for the services supplied.

Prices and tariffs

Consumer price index is one of the measures of inflation characterizing changes over time in the value of a fixed consumption basket of goods and services purchased by the population for non-production consumption.

Industrial producer price index reflects price dynamics of domestically produced industrial goods (services) shipped to the domestic market. Industrial producer price index is calculated on the basis recorded prices of representative goods in the sampled network of reference organisations which are the most typical for the country's industry and which to the highest extent reflect its current structure.

Price index in construction characterizes price changes of material and technical resources used in investment activities related to investment in fixed capital. Price index in construction is calculated by the Ministry of Architecture and Construction of the Republic of Belarus on the basis of the aggregate price index of building and assembly work activities taking account of price index of assembly and installation of technological equipment, aggregate price index of equipment, and price index of other work and costs, these indices being weighted according to the share of components of technological structure of fixed capital investment.

Freight tariff indices allow for measuring changes over time in tariffs of freight transportation. A representative service tariff is recorded for each mode of transport. A representative service of freight transportation by different modes of transport means the carriage of one ton of the most bulk cargo to the specified distance.

Tariff index of communications services for legal persons and individual entrepreneurs reflects general changes over time in tariffs of postal and telecommunication services for different user groups.

Agricultural producer price index measures price changes of selected domestically produced agricultural products sold on the domestic market. Agricultural producer price index does not include value-added tax and transportation and handling costs, but includes allowances and discounts for quality.

Foreign investment

Foreign investment is investment made by foreign investors. It can be classified into direct, portfolio, and other investment.

Foreign direct investment is investment made by direct investors whose equity position is at least 10 percent of shares and/ or stocks in the statutory fund of organisation.

Foreign portfolio investment is investment in the form of shares and/ or equities making up less than 10 percent of the statutory fund of organisation, promissory notes (except commodity-backed) and other debt securities

Other foreign investment comprise credits and loans, financial leasing, accounts and deposits

Net foreign direct investment (excluding liabilities to direct investor for goods, works and services) is the amount of net foreign direct investment (excluding liabilities to direct investor for goods, works and services) in the real sector of the economy, banking sector, and acquisition of immovable property by non-residents from residents of Belarus.

Net foreign direct investment (excluding liabilities to direct investor for goods, works and services) in real sector of the economy are calculated as the inflow of foreign direct investment (excluding liabilities to direct investor for goods, works and services) less foreign direct investment withdrawn (excluding liabilities to direct investor for goods, works and services); the value obtained is adjusted for organisations whose capital stock (shares in the statutory fund) was owned by the government and then sold to non-residents of Belarus.

The data on funds actually received from transactions from sales of state-owned real estate to non-residents of the Republic of Belarus are included according to the information of the State Committee on Property of the Republic of Belarus.

The data on sales of real estate by resident individuals of the Republic of Belarus to non-residents of the Republic of Belarus are presented according to the information of the Scientific and production state republican unitary enterprise "National Cadastre Agency" on registered transactions, the sum of transactions converted into USD at the official exchange rate of the National Bank of the Republic of Belarus at the date of conclusion of contract of sale.

The calculation of foreign direct investment on a net basis (excluding debt to direct investor for goods, works and services) also covers the administrative data of the National Bank of the Republic of Belarus on taxes paid by direct investor into the state budget.

Foreign trade

The data on foreign trade in goods and services have been compiled by the National Bank of the Republic of Belarus in compliance with the sixth edition of the Balance of Payments and International Investment Position Manual (IMF 2009).

The National Statistical Committee of the Republic of Belarus has compiled statistical data on **foreign trade in goods** in compliance with the Methodology for the compilation of statistical indicators of foreign trade in goods of the Republic of Belarus approved by the regulation of the National Statistical Committee of the Republic of Belarus No. 27 of May 7, 2013. The data are compiled on the basis of declarations on goods, statistical declarations, state statistical reports, and estimated data. Data on the imports of oil, gas condensate, electricity, data on the exports of oil, gas condensate, electricity, caprolactam, nitrogenous and potassium fertilizers and data on the exports and imports of bunker fuel used for filling aircraft are compiled on the basis of state statistical reports. Exports and imports of selected commodities not covered by customs statistics are estimated with the balance method using the data of the sample household living standards survey and other sources. Besides, the volumes of foreign trade include data of the State Customs Committee of the Republic of Belarus on the imports of transport vehicles by individuals for personal use.

Exports reflect the outflow of goods from the territory of Belarus, which subtracts from the stocks of material resources of the country; **imports** show the inflow of goods in the territory of Belarus, which adds to the stocks of material resources of the country.

Foreign trade turnover in goods is calculated as the sum of values of commodity exports and imports; balance of foreign trade in goods is the difference between the commodity export and import values.

Geographically, exports are distributed by the country of destination, while imports distributed by the country of origin. If the country of origin or dispatch is a member state of the Customs Union or Common Economic Space, imports are recorded by the country of dispatch.

Unit value indices of commodity exports/ imports measure changes in price level of exported/ imported goods in the reference period as compared with the base period.

Volume indices of commodity exports/ imports reflect changes in the volumes of exports/ imports of commodities assuming that the prices of the reference period have not changed compared with the base period.

To calculate unit value indices and volume indices of commodity exports/ imports, the Laspeyres and Paasche formulas are employed, on the basis of which indices are then calculated using the Fisher's formula.

Purchasing power index of exports is calculated as the index of price terms of trade multiplied by the volume index of exports and shows how many times more or less goods can be imported to the amount of export revenues in the current period compared with the base period taking account of the changes in the physical volume of export goods deliveries.