

SWITCH TO THE NEW CLASSIFICATION OF ECONOMIC ACTIVITIES (NACE REV2) AND CHANGES TO SOURCES AND METHODS IN THE DETAILED ACCOUNTS FOR SEPTEMBER 2011

1 Introduction of new classification of activities (nace rev2)

1.1. General

Classifications of activities and products are revised periodically. That is necessary because the economic structure of countries changes, and so does the composition of certain aggregates in the national accounts (broken down by industry and/or product). From now on, NACE 2008 replaces the nomenclature NACE 2003. The revised nomenclature of activities NACE rev2¹ (NACE 2008) provides for less detail than before in manufacturing industry, but more detail in the construction and services sectors.

Number of branches in NACE 2003

Section	Description	NACE	NACE	NACE	NACE
		2	3	4	5
A_B	Agriculture, forestry and fishing	3	7	16	24
C_E	Mining and quarrying, industry, electricity, gas and water	30	122	275	352
F	Construction	1	5	18	29
G_P	Services	27	93	229	470
Total		61	227	538	875

Number of branches in NACE 2008

Section	Description	NACE	NACE	NACE	NACE
		2	3	4	5
A_B	Agriculture, forestry and fishing	3	13	39	44
C_E	Mining and quarrying, industry, electricity, gas and water, sewerage, waste management and remediation activities	34	114	262	299
F	Construction	3	9	22	41
G_T	Services	47	135	291	558
Total		87	271	614	942

The aggregation levels applicable in the national accounts published up to 2010 (NACE 2003) and those published from 2011 (NACE 2008) are as follows

NACE 2003	NACE 2008	domain
A6	A10	quarterly accounts
A17	A21	not used in the national accounts (sections of NACE)
A31	A38	detailed accounts : estimates last year (t-1)
A60	A64	detailed accounts : estimates t-2 and earlier
SUT branch (# 125)	SUT branch (# 135)	compilation level per industry

The content of the various aggregation levels in terms of NACE 2008 is set out in the annex.

¹ The most detailed branch breakdown used here is the NACE 4-digit classification. However, for Belgium it is the NACE-bel 2008, produced by DGSEI, which is compatible with the NACE 4-digit classification but offers additional detail (5-digit specification of branches). NACE-bel 2008 is the Belgian transposition of Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE rev.2.

1.2. Switch to nace 2008

1.2.1. Automatic conversion of nace 2003 from the 2008 business register

The estimates for 2009 use the NACE 2008 classification. For that purpose, all units (corporations, self-employed persons, NPIs, etc.) included in the 2009 business register of the national accounts had to have a NACE 5-digit code in accordance with the new classification.

For existing enterprises (present in the 2008 business register) the NACE 2008 code was allocated on the basis of NACE 2003. The following links between the old and new NACE ² are possible:

- if, on transition from NACE 2003 to NACE 2008, there is a "1 → 1"- or a "N → 1" relationship for the codes, the conversion takes place automatically on the basis of the old NACE code;
- if, on transition from NACE 2003 to NACE 2008, there is a "1 → N" relationship for the codes, the method is as follows:
 - the NACE 2008 code for the enterprise in question is extracted from the KBO [companies register DGSEI];
 - if the NACE code in the KBO is among the NACE 2008 codes belonging to "N", the code is applied;
 - if the NACE code in the KBO is not among the NACE 2008 codes belonging to "N", the preferential NACE code is chosen. This is the most generic NACE code in "N".

Below is an example of the "1 → N" relationship, by way of illustration:

NACE 2003	Description	NACE 2008	Description
72.400	Other on-line publishing activities	58.110	Publishing of books
72.400	On-line publishing of guides and mailing lists	58.120	Publishing of directories and mailing lists
72.400	Other on-line publishing activities	58.130	Publishing of newspapers
72.400	Other on-line publishing activities	58.140	Publishing of journals and periodicals
72.400	On-line publishing of databanks	58.190	Other publishing
72.400	Other on-line publishing activities	58.190	Other publishing
72.400	Other on-line publishing activities	58.210	Publishing of computer games
72.400	Other on-line publishing activities	58.290	Other software publishing
72.400	On-line publishing for downloading music	59.203	Publishing of music recordings
72.400	Broadcasting of radio programmes via the internet	60.100	Broadcasting of radio programmes
72.400	Broadcasting of television programmes via the internet	60.200	Television programming and broadcasting
72.400	Designing the structure and content of databanks	62.010	Computer programming activities
72.400*	Activities relating to databanks	63.110*	Data processing, hosting and related activities
72.400	Internet home pages	63.120	Web portals

(*) 63.110 is the preferential NACE 2008 code corresponding to NACE 2003 code 72.400

The NACE 2003 code 72.400 (activities relating to databanks) is broken down into 13 different branches at the 5-digit level in the new NACE. These come under 5 different NACE 2008 divisions (58, 59, 60, 62, 63). If the NACE 2008 code in the KBO of undertakings currently classified under NACE 2003 code 724 in the 2008 code list concerns one of the 13 branches [58110, 58120, 58130, 58140, 58190, 58210, 58290, 59203, 60100, 60200, 62010, 63110, 63120] the NACE code according to the KBO is chosen. If the NACE code in the KBO is not on that list, the preferential NACE code (63110) is allocated.

For new undertakings (present in the 2009 business register but lacking in the 2008 business register) NACE 2008 code in the KBO is extracted.

² DGSEI has produced a correspondence table for the NACE 2003 and NACE 2008 nomenclatures.

1.2.2 Correction of incorrect nace codes in the 2009 business register

The introduction of NACE 2008 was an opportunity to improve the quality of the NACE codes in the business register where necessary. Before the automatic conversion, the NACE codes of undertakings in the 2008 code list were tested for possible inconsistencies by comparison with external sub-populations (agriculture census, list of enterprises reporting for the survey of industrial production (prodcom). The modified NACE used by the NSSO from 2010 on for service voucher undertakings was also taken into account. The NACE code of atypical enterprises in the SUT³ was corrected and the population of enterprises with old NACE code 74879 (other business-related services) was examined⁴.

This made it possible to correct the NACE code of several thousand enterprises (at NACE 2-digit level). This changed the relative importance of the branches in the economy.

Table 1 Reallocation of value added among the branches as a result of corrections to the NACE codes (2008, €million)

	S11	S124	S15	Total
Agriculture, forestry, fishing (A) ⁵	-38			-38
Mining and quarrying (B)	10			10
Manufacturing (C)	560			560
Electricity, gas, steam and air conditioning supply (D)	1			1
Water supply, sewerage, waste management and remediation activities (E)	60			60
Construction (F)	76			76
Wholesale and retail trade; repair of motor vehicles and motor cycles (G)	-105			-105
Transportation and storage (H)	-30			-30
Accommodation and food service activities (I)	0			0
Information and communication (J)	-8			-8
Financial and insurance activities (K)	9	-97		-88
Real estate activities (L)	-6			-6
Professional, scientific and technical activities (M)	-54			-54
Administrative and support service activities (N)	-424			-424
Education (P)	55		-56	-1
Human health and social work activities (Q)	22			22
Arts, entertainment and recreation (R)	7			7
Other service activities (S)	19			19
Total	153	-97	-56	0

S11: non-financial corporations

S124: financial auxiliaries

S15: non-profit institutions serving households

In a number of cases, correction of the NACE codes led to a revision of the sector codes: thus, in 2008 €97 million of value added switched from S124 to S11 (non-financial corporations incorrectly included under NACE 2003 code 67 "financial sector") and €56 million of value added switched from S15 to S11 (international schools which are henceforward regarded as market producers).

The biggest shifts are between manufacturing and construction, which gain in importance, and business-related services, wholesale and retail trade and financial activities which become less important.

³ These are undertakings whose main activity concerns a different branch from the one to which they are allocated in the supply and use table, indicating an incorrect NACE classification in the business register.

⁴ If the KBO has a more specific NACE code for these undertakings, it is selected.

⁵ Since value added in agriculture is estimated exogenously, the NACE corrections do not affect it. However, the net elimination of undertakings from agriculture (transferred, for example, to the food processing industry and trade in agricultural products) does result in an increase in total value added (amounting to €38 million).

1.2.3 Preparation of series in nace 2008 from 1995

For economic analysis, it is of course important to have longer series available in NACE 2008. For that purpose, series are back casted to 1995. This is a 2-stage process:

- conversion of series 1995-2008 according to NACE 2003 to series in NACE 2008 in A64. For variables available per enterprise (labour market statistics and gross fixed capital formation), the conversion was carried out per enterprise; the individual variables were then aggregated to the A64 branch. For variables only available per branch (value added), a conversion was carried out from the old SUT branch to the new A64 branch.
- retropolation of the NACE corrections/adjustments to institutional sectors in the 2009 business register; this meant that the NACE correction (and in some cases the change of institutional sector code) carried out in the 2009 business register was continued into the past, so that in principle there is no break between 2009 and earlier years.

2 Changes to sources and methods

2.1 Changes in the production approach

2.1.1. Agriculture (partim landscape service activities)

Analysis revealed that the value added created under NACE 2003 code 0141 "services relating to agriculture; landscaping and gardening activities" is currently seriously underestimated.

The production was aligned with household expenditure (source: household budget survey) and it was assumed that intermediate consumption amounts to 20% of output. This method needs to be improved, because these undertakings do not work solely for individuals (but also for other undertakings and the government) and intermediate consumption can also be estimated directly.

In future (under the new nomenclature) this activity will no longer be included under agriculture but under a services branch (NACE 813: landscaping). The value added under this NACE code will be estimated (from 2009) via the source material also used in most other branches (combination of annual accounts and VAT). That gives much higher amounts of value added, so that there might be a break if the series (1995-2008) were to be kept the same for the old years. It was therefore decided to prepare backdata for the period 1995-2008 which are comparable to the estimate for 2009:

- the figures for agriculture are reduced by the amounts of NACE 0141 estimated via the household budget survey;
- the period 1995-2008 for NACE 2008 code 813 (NACE 2003 code 0141) is estimated via VAT.

At the same time, the impact of this revision on the expenditure side is estimated.

We know from the suppliers database for VAT what proportion of the sales is invoiced to other Belgian enterprises⁶. We assume that 15% is invoiced to the government. Sales to households make up the rest. This additional final expenditure was allocated between household consumption (garden maintenance) and investment (laying out gardens, drives, etc.). Since the revision of the value added from NACE 0141/813 is not equal to the associated revision on the expenditure side, it was necessary to carry out a small adjustment to the output side (value added in the wholesale trade was adjusted downwards slightly) and to the expenditure side (household consumption was revised upwards slightly). On balance, this increased GDP by 0.13% to 0.17% for definitive years.

2.1.2. Forestry and fishing

From 2009, annual accounts and VAT are used in these sectors to estimate value added, instead of specific sources and assumptions. Since the impact on value added is small, only the 2008 figures were adjusted and the series 1995-2007 remained unchanged.

2.1.3 Revised estimate of value added of members of a vat unit without annual accounts (2009)

In future, members of VAT units without annual accounts will be assigned to a specific category in the business register. Their value added can no longer be estimated via VAT sales – these are no longer available – but from 2009 they are estimated via the NSSO wage bill. This change of method has a negative effect on value added (- € 230 million in 2009). Earlier years are not adjusted.

2.1.4 Reclassification of tax agents ("fiscal representatives") with wages/employment as belgian branches of foreign companies in the 2009 business register

From 2009, units listed according to the administrative information as tax agents but having a real activity in Belgium (because they report wages/employment to the NSSO) are in practice regarded as branches of foreign companies (without annual accounts). Their value added is no longer estimated via wages, but in most cases via VAT sales. For 2008, the impact of this change of method on value added is + € 150 million. The years before 2009 are not adjusted.

2.1.5 Systematic use of structural business surveys where annual accounts are not available in 2009

Companies with a usable structural business survey but no annual accounts will in future be assigned to a specific category in the business register (namely cat. E1 if they are large and cat. E2 in the case of SMEs)⁷. From now on, their value added will be obtained direct from the survey and not estimated indirectly via VAT sales or NSSO wages. In 2009, there were 300 such undertakings with a combined value added according to the structural business survey of € 2 026 million. The impact of this improved method on value added is unknown because the alternative estimate (via VAT or NSSO) is no longer available. Years prior to 2009 are not revised.

⁶ This expenditure is already included as intermediate consumption and/or investments in the accounts.

⁷ In practice, these are in most cases Belgian branches of foreign companies which are not legally obliged to submit annual accounts to the Central Balance Sheet Office. However, these units do appear in the structural business survey sample.

2.1.6. Optimisation of the processing of the annual accounts submitted by units from s.123 and s.124

From 2009, the data from the annual accounts submitted to the Central Balance Sheet Office by financial undertakings in sector S123 (other financial intermediaries except insurance institutions and pension funds) and sector S124 (financial auxiliaries) are processed in the application already used for processing the accounting data of non-financial corporations. The relevant accounting aggregates (output, intermediate consumption and value added) are estimated in that same application. This change improves the estimating procedures and permits greater systematisation for the sectors S123 and S124, on the basis of unchanged data sources. This brings the estimation methods closer into line with those used for non-financial corporations, while account is still taken of the characteristics of financial corporations. It should be remembered that, in the first stage, the accounting variables are aggregated in order to obtain administrative aggregates; next, a series of corrections are carried out to make these aggregates conform to the ESA 1995 concepts.

The use of the application for sectors S123 and S124 was an opportunity to make improvements in the estimation procedures at the level of the switch to the ESA concept, either by introducing new corrections or by using new sources for some existing corrections. Where results according to the old method and the new methodology are not available for a reference year, it is not possible to quantify the impact of these methodological improvements on the estimate of the value added of sectors S123 and S124. However, the impact should be relatively small.

2.1.7 Inclusion in the 2009 business register of npis with annual accounts but no vat returns or nssso declarations

These units are included in the 2009 register for the first time.

The gross margin (as a proxy for value added) of these units is € 50 million.

2.1.8 Systematic use of the annual accounts of npis in s11 and s15 from 2009

NPIs which submit annual accounts will from now on have a specific category in the code list:

- NPIs with full format accounts (cat. H1);
- NPIs with abridged format accounts reporting operating income and purchases (cat. H2);
- NPIs with abridged format accounts not reporting operating income and purchases (cat. H3);

For these populations, output, intermediate consumption and value added⁸ are estimated via the annual accounts. Previously, survey data or indirect methods (estimate via wages) were used for this purpose.

- NPIs not required to submit accounts (cat. H4). For this population, value added is estimated via wages (based on the structure of H2+H3).

In S15, use of this new source results in substantially higher figures for production and intermediate consumption. Conversely, there is only a marginal change in value added.

In S11, however, there is an impact on the value added in branches with a significant proportion of NPIs. The actual impact is not known because there is no overlapping year when both methods are used. The year 2008 was adjusted if necessary and the years before 2008 remained unchanged.

⁸ The gross margin, which is a proxy for value added, is always available in both formats.

2.1.9 Modified estimation method for small and medium sized companies which do not report their sales and purchases in their annual accounts (2009)

Sales and purchases are optional entries in the abridged format annual accounts, and the percentage of undertakings reporting them is constantly declining (in 1995 it was 45%, in 2008 below 20%).

The data (sales and purchases) from this shrinking population (cat B1) will therefore no longer be used as the extrapolation basis for accounts not reporting sales and purchases (cat B2).

In cat B2, sales will from now on be obtained directly from the VAT returns, and purchases will be derived indirectly (given the value added, which is always known). However, this change of method also has repercussions on the estimate of value added of the SMEs without annual accounts (cat B3) since that depends of the structure of B1+B2.

Here is an illustration:

Before revision (a)

S11_branch xyz	A1	A2	B1	B2	C1	C2	B3	total	B1+B2	
									+C1+C2	%
operating income	1.000	50	500	2.000	10	25	400	3.985	2.535	100
consumption of goods and services	600	30	320	1.280	15	35	260	2.540	1.650	65,1
value added	400	20	180	720	-5	-10	140	1.445	885	34,9

After revision (b)

S11_branch xyz	A1	A2	B1	B2	C1	C2	B3	total	B1+B2	
									+C1+C2	%
operating income	1.000	50	500	1.500	10	25	400	3.485	2.035	100
consumption of goods and services	600	30	320	780	15	35	226	2.006	1.150	56,5
value added	400	20	180	720	-5	-10	174	1.479	885	43,5

Revision (b)-(a)

S11_branch xyz	A1	A2	B1	B2	C1	C2	B3	total
operating income	0	0	0	-500	0	0	0	-500
consumption of goods and services	0	0	0	-500	0	0	-34	-534
value added	0	0	0	0	0	0	34	34

A1: full format accounts

A2: large undertakings without annual accounts

B1: abridged format accounts with sales and purchases (and gross margin >0)

B2: abridged format accounts without sales and purchases (and gross margin >0)

C1: abridged format accounts with sales and purchases (and gross margin < 0)

C2: abridged format accounts without sales and purchases (and gross margin < 0)

B3: SMEs without annual accounts

Before revision

cat B2: operating income (sales) and purchases are extrapolated via B1 ($B1g_B2/B1g_B1 = 4$)

cat B3: operating income = VAT sales; purchases are obtained from the purchases/sales ratio of $B1+B2+C1+C2=65.1\%$

After revision

cat B2: operating income = VAT sales, purchases are obtained as a net figure (value added is unchanged)

cat B3: operating income = VAT sales; purchases are obtained from the purchases/sales ratio of $B1+B2+C1+C2= 56.5\%$

The overall impact on value added can be estimated at + € 340 million and is spread across all branches. The years prior to 2009 are not revised.

2.1.10 Estimate of director's fees paid out by smes not submitting annual accounts from 2009

Director's fees are regarded as intermediate consumption for the company paying them, and as output for the directors/business managers. Previously, account was only taken of bonuses for SMEs submitting annual accounts. From 2009, there is also an estimate of bonuses paid by companies which do not submit annual accounts. That causes intermediate consumption to increase and value added to decline (- € 150 million). The years before 2009 are not adjusted.

2.1.11 Reclassification of income from dwelling services

Before revision, imputed rents (notional rental income for owner-occupiers) and real rents (for landlords) were treated differently: imputed rents were treated in the sector accounts of households as an operating surplus, and real rents as mixed income. That does not conform to the ESA95, because mixed income can only be earned by unincorporated businesses, and households which let out residential accommodation cannot be regarded as entrepreneurs. This anomaly was corrected, causing the operating surplus in S14 to increase while mixed income (relating to the letting of residential accommodation) falls by the same amount. There is no impact on value added. The series from 1995 onwards are adjusted.

Table 2 Reclassification of gross mixed income (B3g) as gross operating surplus (B2g) in S14 (€million)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
B2g	4.303	4.241	4.212	4.356	4.250	4.455	4.561	4.365	4.283	4.132	4.426	4.668	4.976	4.991
B3g	-4.303	-4.241	-4.212	-4.356	-4.250	-4.455	-4.561	-4.365	-4.283	-4.132	-4.426	-4.668	-4.976	-4.991

2.1.12 Summary of the various items

Table 3 Impact of revision on value added per item (for 2008) (*)

(€ million)

		backcasting
1	impact of NACE corrections in agriculture	40 N
2	change of sources and methods in forestry and fishing	-40 N
3	inclusion in the register of NPIs with annual accounts but no VAT returns or NSSO declarations	50 N
4	change of category (sources and methods) for tax agents with wages	150 N
5	change of sources and methods for SMEs with no sales and purchases	340 N
6	estimate of director's fees in SMEs not submitting annual accounts	-150 N
7	change of category (sources and methods) for members of a VAT unit without annual accounts	-230 N
8	change of sources and methods in the landscaping activities sector	800 Y
9	use of annual accounts of NPIs in S15	n.s. N
10	use of annual accounts of NPIs in S11	n.a. N
11	use of structural surveys for corporations without annual accounts	n.a. N
12	reclassification of mixed income as operating surplus (housing services)	0 Y
	Total (excl. item 10 and 11)	960

(*) Approximate amounts

2.2 Changes in the expenditure approach

In the general government accounts, local authority investments were revised from 2004 onwards. It was decided not to reflect these changes in the output approach (e.g. construction) because the assumption was that the latter is estimated reliably. There is a contra entry in the change in inventories.

Gas transit was estimated and eliminated from the import and export figures.

Household consumption expenditure and investments in housing by households were revised upwards, taking account of the additional expenditure on garden maintenance and on laying out gardens, drives, etc.

The consumption expenditure of NPIs was revised downwards because international schools were reclassified as market producers and because one research institution (which was already included in the government accounts) was eliminated from S15. For more details, see item 3.1.2.

2.3 Summary of the revision in the output and expenditure approach for definitive years

As a result of the above changes the level of GDP has been revised upwards with 0.13% to 0.17%

Table 4 Revision of GDP in the output approach since 2000

(€ million)	2000	2001	2002	2003	2004	2005	2006	2007
GDP September 2010	252.216	259.433	268.256	275.716	290.825	302.845	318.150	335.085
GDP September 2011	252.543	259.803	268.620	276.157	291.292	303.357	318.697	335.610
Revision of GDP	327	370	364	440	467	512	547	526
Revision of value added NACE 0141	420	475	478	522	553	609	678	773
Other changes (*)	-93	-105	-114	-81	-86	-97	-132	-248
of which S12	0	0	0	0	0	0	-58	-242

(*) Adjustment to value added in the wholesale trade (estimated deduction), adjustment to value added in S15 (elimination of duplication), revision of value added in S12 (2006 and 2007: correction of errors)

As already stated, this upward revision is associated with the upward adjustment to value added in the landscaping activities sector. In 2006 and 2007 this effect was moderated somewhat by the correction of errors in the figures for the financial sector.

The figures for 2008 and 2009 are still influenced by various other factors (such as replacement of provisional figures with final figures for all branches/sectors).

Table 5 Revision of GDP in the expenditure approach since 2000

(€ million)

	2000	2001	2002	2003	2004	2005	2006	2007
government consumption expenditure(P3S13)	0	0	0	0	0	0	0	25
household consumption expenditure (P3S14)	97	130	137	167	212	255	260	209
consumption expenditure of non-market NPIs (P3S15)	-52	-54	-57	-60	-66	-72	-78	-86
Investments in fixed assets (P51)	245	258	248	259	246	-42	467	209
government (P51S13)	0	0	0	0	-41	-340	136	-134
households/housing construction (P51S14)	245	258	248	259	287	298	332	343
change in inventories (P52)	36	36	36	74	75	370	-102	169
export of goods (P61)	0	0	-428	-1.019	-1.891	-4.110	-4.395	-2.233
export of services(P62)	0	0	0	0	0	0	0	0
import of goods (P71)	0	0	-428	-1.019	-1.891	-4.110	-4.395	-2.233
import of services (P72)	0	0	0	0	0	0	0	0
GDP	327	370	364	440	467	512	547	526

The upward revision to final household expenditure (consumption expenditure and investments in housing construction) is due to the upward revision to output (and value added) in the landscaping activities sector. The consumption expenditure of NPIs was adjusted downwards as a result of the reclassification of international schools (from S15 to S11) and the deletion of one unit which was already included in the government accounts (S13). Local authority investments (P51S13) were revised from 2004. There was a contra entry for this in the change in inventories. Imports and exports of goods (P71 and P61) change by the same amount owing to the elimination of gas transit from the foreign trade figures.

3. Changes to other elements of the accounts

Revisions in the output and expenditure approaches have a direct impact on the accounting system of the sectors, but as well as that, other changes have also influenced certain aggregates in the accounts.

3.1. Improvement to the register resulting in sectoral shifts

3.1.1. Revisions to compensation of employees charged to the various sectors from 1995

As a result of the improvement in the 2009 business register, certain units were allocated to a different sector (cf. item 1.2.2.). Those reclassifications did not only have an impact on the estimated value added of the sectors, but also led to a revision of the compensation of employees (D.1) charged to the various sectors (S.11, S.124 and S.15). The pay figures per sector were adjusted from 1995, in accordance with the principles set out in 1.2.3.

3.1.2. Impact on the accounts of npis serving households (s.15)

The revision, from 1995 onwards, of the compensation charged to sector S.15 also led to changes in other aggregates of the accounting system of that sector.

Up to 2008, most transactions in the accounts of sector S.15 were calculated on the basis of the structural survey of NPIs. Those results were extrapolated to the total population of that sector with the aid of a wage bill ratio (wage bill of the population of S.15/wage bill of the survey sample). Consequently, as a result of the revision of the wage bill for the whole sector, the estimates for other transactions in the S.15 accounts from 1995 were also adjusted automatically.

One of the revised transactions is the non-market output (P.13) of the sector. In accordance with the ESA 1995, the social transfers in kind (D.63) and the consumption expenditure (P.31) of NPIs serving households were therefore also revised for the entire period, because that expenditure is equal to the non-market output of the sector plus an estimate for goods and services purchased on the market and supplied to households at an economically insignificant price.

3.2 Use of the annual accounts of npis from 2009

There was an impact on the accounting system of NPIs serving households (S.15) because, from 2009, account was taken of certain data from the annual accounts that NPIs submit to the Central Balance Sheet Office. Thus, the transactions "Other income transfers n.e.s." (D.75) and "Other capital transfers" (D.99)⁹ exhibit breaks in the series in 2009. That change means a fundamental reform in the sources, just as in the underlying procedures for producing estimates of the aggregates in the accounting system of S.15, so that there must be a very explicit reference to the fact that the figures for 2009 and 2010 are provisional. In the coming months there could yet be a favourable adjustment to the estimates.

3.3 Closer coordination with the belgian balance of payments figures

The "other income transfers" (D.75) and "capital transfers" (D.99) from and to the rest of the world were revised to improve the coordination with the Belgian balance of payments (BoP) figures. There were repercussions on that revision from 2007, the year in which the BoP data collection system was fundamentally changed, because it is now based on the collection of data via business surveys. This new way of collecting BoP data has led to breaks in the series in 2007, which therefore also affect the accounts for the rest of the world. Thus, a whole range of transactions, mainly between households and the rest of the world, are no longer recorded¹⁰. Since the amounts in question are roughly of the same order of magnitude on the expenditure and resources sides¹¹, however, this change has little impact on the sectoral balances. The other income transfers taken from the BoP (code 392, heading D7N) are all attributed to corporations, except for certain one-off transactions which have to be attributed to households.

On the basis of a representative sample of NGOs, the national accounts (in contrast to the BoP) also cover current transfers between NGOs in sector S15 and the rest of the world.

3.4 Integration of the revised series of the balance of payments of european institutions

Eurostat publishes data on transactions between the European institutions and Belgium (D.1, D.5, D.61, D.62, D.75). Since Eurostat has revised its estimates from 2008, there have been changes to certain series in the accounts of the European institutions (S.212). Retropolations were effected in the Belgian national accounts so that uniform series could be presented from 2005. The accounts of the sectors which form the counterparts to those transactions were also influenced.

⁹ In accordance with the ESA 1995, legacies have to be distinguished from gifts and recorded under capital transfers. That distinction is now possible thanks to the analysis of the accounts submitted by NPIs, and the accounting system of S.15 records capital transfers from 2009 (D.9).

¹⁰ These transactions are very varied. For example, they may concern gifts between individuals, transactions in the top sporting world (between clubs or persons), certain notarial transactions at international level, lottery wins, etc. It should be noted that the BoP still includes transfers by migrants (code 391). These transfers come under the accounts for foreign transactions.

¹¹ It can be broadly assumed that both the resources and the expenditure that are no longer recorded represent several hundred million euros. The net figures in question are relatively small, in the order of a few tens of millions.

Annex

A10

- 1 Agriculture, forestry and fishing (A)
- 2 Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities (B, C, D, E)

of which manufacturing (C)
- 3 Construction (F)
- 4 Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities (G, H, I)
- 5 Information and communication (J)
- 6 Financial and insurance activities (K)
- 7 Real estate activities (L)

of which imputed rent on owner occupied dwellings
- 8 Professional, scientific and technical activities; administrative and support service activities (M, N)
- 9 Public administration and defence; compulsory social security; education; human health and social work activities (O, P, Q) (*)
- 10 Arts, entertainment, repair of household goods and other services (R, S, T)

(*) This A10-branch is broken down in public administration and education (O, P) and human health and social work (Q) in the quarterly national accounts

A21

- | | |
|---|--|
| A | Agriculture, forestry and fishing |
| B | Mining and quarrying |
| C | Manufacturing |
| D | Electricity, gas, steam and air conditioning supply |
| E | Water supply; sewerage, waste management and remediation activities |
| F | Construction |
| G | Wholesale and retail trade; repair of motor vehicles and motorcycles |
| H | Transportation and storage |
| I | Accommodation and food service activities |
| J | Information and communication |
| K | Financial and insurance activities |
| L | Real estate activities |
| M | Professional, scientific and technical activities |
| N | Administrative and support service activities |
| O | Public administration and defence; compulsory social security |
| P | Education |
| Q | Human health and social work activities |
| R | Arts, entertainment and recreation |
| S | Other service activities |
| T | Activities of households as employers; undifferentiated goods -and services-producing activities of households for own use |

U Activities of extraterritorial organizations and bodies (*)

(*) This concerns non resident units which explains why this section is empty in practice.

A38

AA Agriculture, forestry and fishing
BB Mining and quarrying
CA Manufacture of food products, beverages and tobacco products
CB Manufacture of textiles, wearing apparel and leather products
CC Manufacture of wood and paper products, and printing
CD Manufacture of coke and refined petroleum products
CE Manufacture of chemicals and chemical products
CF Manufacture of basic pharmaceutical products and pharmaceutical preparations

CG Manufacture of rubber and plastics products, and other non-metallic mineral products
CH Manufacture of basic metals and fabricated metal products, except machinery and equipment
CI Manufacture of computer, electronic and optical products
CJ Manufacture of electrical equipment
CK Manufacture of machinery and equipment n.e.c.
CL Manufacture of transport equipment
CM Manufacture of furniture; other manufacturing; repair and installation of machinery and equipment

DD Electricity, gas, steam and air-conditioning supply
EE Water supply; sewerage, waste management and remediation activities

FF Construction
GG Wholesale and retail trade, repair of motor vehicles and motorcycles
HH Transportation and storage
II Accommodation and food service activities
JA Publishing, audiovisual and broadcasting activities
JB Telecommunications
JC Computer programming, consultancy and related activities; information service activities

KK Financial and insurance activities
LL Real estate activities
LLa: Of which imputed rents of owner-occupied dwellings
MA Legal and accounting activities; activities of head offices; management consultancy activities; architecture and engineering activities; technical testing and analysis

MB Scientific research and development
MC Advertising and market research; other professional, scientific and technical activities; veterinary activities

NN Administrative and support service activities
OO Public administration and defence; compulsory social security
PP Education

QA	Human health activities
QB	Social work activities
RR	Arts, entertainment and recreation
SS	Other service activities
TT	Activities of households as employers of domestic personnel and undifferentiated goods and services production of households for own use
UU	Activities of extra-territorial organizations and bodies

A64

(nace 2)

01	Crop and animal production, hunting and related service activities
02	Forestry and logging
03	Fishing and aquaculture
05-09	Mining and quarrying
10-12	Manufacture of food products, beverages and tobacco products
13-15	Manufacture of textiles, wearing apparel and leather products
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
17	Manufacture of paper and paper products
18	Printing and reproduction of recorded media
19	Manufacture of coke and refined petroleum products
20	Manufacture of chemicals and chemical products
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations
22	Manufacture of rubber and plastics products
23	Manufacture of other non-metallic mineral products
24	Manufacture of basic metals
25	Manufacture of fabricated metal products, except machinery and equipment
26	Manufacture of computer, electronic and optical products
27	Manufacture of electrical equipment
28	Manufacture of machinery and equipment n.e.c.
29	Manufacture of motor vehicles, trailers and semi-trailers
30	Manufacture of other transport equipment
31-32	Manufacture of furniture; other manufacturing
33	Repair and installation of machinery and equipment
35	Electricity, gas, steam and air conditioning supply
36	Water collection, treatment and supply
37-39	Sewerage; waste collection, treatment and disposal activities; materials recovery; remediation activities and other waste management services
41-43	Construction
45	Wholesale and retail trade and repair of motor vehicles and motorcycles
46	Wholesale trade, except of motor vehicles and motorcycles
47	Retail trade, except of motor vehicles and motorcycles
49	Land transport and transport via pipelines
50	Water transport
51	Air transport
52	Warehousing and support activities for transportation
53	Postal and courier activities

- 55-56 Accommodation; food and beverage service activities
- 58 Publishing activities
- 59-60 Motion picture, video and television programme production, sound recording and music publishing activities; programming and broadcasting activities
- 61 Telecommunications
- 62-63 Computer programming, consultancy and related activities; information service activities
- 64 Financial service activities, except insurance and pension funding
- 65 Insurance, reinsurance and pension funding, except compulsory social security
- 66 Activities auxiliary to financial services and insurance activities
- 68 Real estate activities
of which: imputed rents of owner-occupied dwellings
- 69-70 Legal and accounting activities; activities of head offices; management consultancy activities
- 71 Architecture and engineering activities; technical testing and analysis
- 72 Scientific research and development
- 73 Advertising and market research
- 74-75 Other professional, scientific and technical activities; veterinary activities
- 77 Rental and leasing activities
- 78 Employment activities
- 79 Travel agency, tour operator reservation service and related activities
- 80-82 Security and investigation activities; services to buildings and landscape activities; office administrative, office support and other business support
- 84 Public administration and defence; compulsory social security
- 85 Education
- 86 Human health activities
- 87-88 Social work activities
- 90-92 Creative, arts and entertainment activities; libraries archives, museums and other cultural activities; gambling and betting activities
- 93 Sports activities and amusement and recreation activities
- 94 Activities of membership organisations
- 95 Repair of computers and personal and household goods
- 96 Other personal service activities
- 97-98 Activities of households as employers of domestic personnel and undifferentiated goods and services production of households for own use
- 99 Activities of extraterritorial organizations and bodies