Some breaks in the time series

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Explanation of symbols

.	= data not available
*	= provisional figure
x	= publication prohibited (confidential figure)
–	= nil or less than half of unit concerned
–	= (between two figures) inclusive
0 (0,0)	= less than half of unit concerned
blank	= not applicable
2005-2006	= 2005 to 2006 inclusive
2005/2006	= average of 2005 up to and including 2006
2005/'06	= crop year, financial year, school year etc. beginning in 2005 and ending in 2006
2003/'04–2005/'06	= crop year, financial year, etc. 2003/'04 to 2005/'06 inclusive

Due to rounding, some totals may not correspond with the sum of the separate figures.

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1. Introduction

Data in the national accounts are estimated in such a way that they are comparable with data for contiguous years, thus reflecting year to year changes as accurately as possible.
Only at periodic revisions levels are updated and newly computed. Data for previous years are also adjusted then in order to retain comparability in time. In spite of aiming at comparability in time, discontinuities sometimes occur, mostly as a result of revisions, which are not fully calculated back in time. This results in a number of breaks in the tables in the chapter Historical data.
Besides changes in tax legislation, social security regulations, etc. may have a significant effect on the continuity of the time series.

2. Time series breaks caused by revisions

Statistics Netherlands has been compiling economic data since the 1930s. Later on, these data became part of the national accounts. 'Official' figures have been available since 1900. In due time the availability of new data sources, improved estimation techniques and new concepts have led to a number of national accounts revisions. In first instance, a revision is applied to one year for which simultaneously two data sets are compiled: one set according to the old methods and concepts and a second set according to the new ones. Subsequently, recalculations are carried out for a number of preceding years.

The number of years to be recomputed, however, differs for each revision. The long time series are therefore split into sub periods, which are not mutually comparable. In the time series, all figures in break years are given twice: before and after the revision concerned. For volume and price figures, the problem of break years can be avoided to some extent by presenting only changes relative to the preceding year and not indices related to a fixed base year.

In order to make possible long-term comparisons of volume and prices, table H 1 shows for a number of benchmark years indices based on 1938=100. They haven been calculated by cumulating the annual mutations from previous tables.

For the estimation of the national income a number of different methods have been applied. The first one is the income method. The incomes of individual units are aggregated to a national total. These incomes are mainly based on fiscal data. The second is the net-production method. Here for every individual industry its production and its intermediate consumption are determined through production data, based on industrial surveys. The difference between production and intermediate consumption is the value added. The national income is the sum of the value added of all industries, after an adjustment for primary income transactions with the rest of the world. The third method is the commodity-flow or input-output method. This method too is based on estimates of production and intermediate consumption; however in this case production and intermediate consumption by industry are detailed in goods and services groups. For each and every goods and service group should hold that the production of an industry should be supplied to either the other industries or to final expenditure categories. The other way around the intermediate consumption by each industry of each group of goods and services should originate from the production by a domestic industry, imports or the decrease of inventories. These identities between ‘available’ and ‘used’ opens the possibility to make detailed confrontations and to determine for each industry its production, intermediate consumption and value added in such a way that the results are consistent with those for other industries. Of all the methods mentioned above the commodity-flow method is the most reliable.

For 1900-1920 only national income data have been calculated, applying the income method. Volume data were obtained by deflating with a consumer price index for working-class families. The concepts used then deviate from those currently in use. For details we refer to the publication ‘Berekeningen over het nationale inkomen van Nederland voor de periode 1900-1920’ (Speciale Onderzoekingen van de Nederlandsche Conjunctuur, No. 4, 1941).

Some time ago data for the period 1921-1939 have been revised, as much as possible in accordance with the concepts currently in use. Here the net-production method has been applied. Several variables, like expenditure categories have been estimated autonomously. Deflators are calculated on the basis of detailed data. Details can be found in the publication 'The Dutch economy, 1921-1939 and 1969-1985. A comparison based on revised macro-economic data for the interwar period'.

For the years 1940-1945 the same method has been applied as for 1900-1920. The data and methods have been published in 'Statistische en econometrische onderzoekingen', nieuwe reeks, jaargang 5, 1e kwartaal 1950. For 1940-1945 only national income (net, factor costs) data are available (see the publication National accounts of the Netherlands 1999). The volume data too concerns the concept of factor costs. For the sake of continuity this concept has also been upheld for 1946-1948. For 1946 and 1947 the commodity-flow method has been applied. At several points the concepts used deviate from the modern ones. Besides that, later revisions have not been calculated backwards. For more details we refer to the publication 'De Nationale Jaarrekeningen: doeleinden, problemen, resultaten' (Monografieën van de Nederlandse Conjunctuur, no. 8, 1950).

For the years after 1948 the commodity-flow method has been applied. The original data for the period 1948-1957 have been published in 'Statistische en Econometrische Onderzoekingen', 2e en 3e kwartaal 1958, those for 1958 and after have been published in the annual publications of the national accounts.

The data for the years from 1948 onwards have been revised several times. The first revision concerned the year 1977 and was calculated backwards no further than to 1969. This revision is described in the publications 'Nationale rekeningen 1980' and 'Nationale rekeningen 1969-1981 met herziene reeksen voor de jaren 1969-1976'.

In 1992 a revision was carried out for the benchmark year 1987; see 'Nationale rekeningen 1991, volume II'. The 1987 revision was calculated backwards until 1969, the figures are given in the publications 'Nationale rekeningen – gereviseerde reeksen 1977-1986' and 'Nationale rekeningen – gereviseerde reeksen 1969-1976'.

Revised data for the years 1995-1998 were presented in the National accounts 1998. Since then the Dutch national accounts are in accordance with the newest international guidelines: the European System of Accounts (ESA 1995) and the System of National Accounts (SNA 1993). A detailed description of the 1995 revision is presented in the publication 'Revision Dutch National Accounts: first results and backgrounds'. This revision has now been calculated backwards until 1969.

In 2005 a revision has been carried out for the reporting year 2001. A detailed description of this revision is given in the publication 'Nationale rekeningen 2004, Revisie 2001 – Beschrijving en uitkomsten revisiejaar 2001' (Dutch edition). The figures for the years after 2001 have been revised as well. The revision has been calculated backwards until 1969.

3. Effects of government measures

A number of changes, introduced recently in the field of taxes and social security have had important effects on the continuity of national accounts data. A few important changes are mentioned below.

Operation social housing
In 1995, the government redeemed specific long-term liabilities towards housing corporations. The redemption sum was based on the present value of liabilities and amounted up to 14,9 billion euro. In the national accounts, this is recorded as a capital transfer from the government through non-financial corporations. In 1995, this led to a sharp increase in net borrowing of the government while at the same time net lending of non-financial corporations rose to the same extent. Housing corporations used the redemption money for early repayment of all housing loans to the government. As a result rent subsidies decreased sharply in 1995.

Restitution of excise duties on wine
In 1996 because of a finding of the European Court of Justice, the government had to pay back 204,2 million euro to the wine branch. The exempt from excise duties on fruit wines (till 1992) appeared to be applicable to table wines too.

Financing old people's homes
Starting in 1997 the financing of the services of old people's homes is covered by the Exceptional Medical Health Act (AWBZ). Until that year the financing took place through the general means of the government and own contributions of households. Due to this measure the social assistance benefits in kind decreased while the social security contributions and the social security benefits increased with 1.4 billion euro. The increase of the contributions is compensated by a decrease of the wage tax.

The introduction of the Pemba
In 1998 the Pemba was introduced. This is a Dutch acronym for Premium differentiation and the market effect on disablement insurance. The underlying idea of the Pemba operation is to lay down the risks at the employers, because these were supposed to prevent disablement. The Pemba operation consists of three measures.
Firstly, the scope has been adapted to that part of the disablement, which is covered by social security, to fit better with different kinds of risks. For this reason the Fund for Disabled Civil Servants (FAOP) and the employee's part of the General Disablement Benefits Act (AAW) were merged with the Disablement Insurance Act (WAO). In contrast the benefits to young disabled persons are no longer covered by the social security contributions (AAW), but through the general funds (Wajong). Young disabled persons are defined as people who are borne with a handicap and so will never be able to earn income.
Secondly, from now on the disablement contributions are fully covered by the employers. The employers in their turn are compensated by a drastically decrease in their transfer surcharge.
Thirdly, part of the employer's contributions has been made variable, that are the contributions for the Disablement Insurance Fund (AOK). These are from now on dependent on the number of employees that became disabled. So in case few employees become disabled, the employer pays less. This is a way to stimulate the employer to prevent employees to become disabled.

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