

EXPLANATORY NOTES TO TABLES

Definitions of monetary aggregates and other financial instruments are harmonized with the System of National Accounts and monetary and financial statistics used by the IMF in presenting data for all countries in the IFS statistical publication.

III REAL SECTOR

3.1 Gross Domestic Product (GDP)

As of 30 June 2005, gross domestic product of the Republic of Serbia is calculated and published on a quarterly basis by the SORS. GDP is valued at market prices, calculated on the basis of the production principle and represents the sum of gross value added of all activities, less financial intermediation services indirectly measured (FISIM), plus taxes and less subsidies on products.

3.2 Industrial Production

The industrial production index measures physical volume of the industrial output on the basis of monthly reports on industrial production in the Republic of Serbia (IND-1). Included are both industrial enterprises and units of non-industrial enterprises engaged in industrial production. A new classification of industry was introduced as of 1 January 2011 consisting of three sectors: mining and quarrying; manufacturing; and electricity, gas and steam supply. Stocks of finished goods in industry are taken as end-month balance.

3.3 Construction and Transport

The value of construction works includes the cost of construction material and invested labour. It does not include payments for the purchase of land, construction design, supervision of construction works and VAT. Data on the value of construction works refer to both finished and unfinished buildings in the reporting period. Value indices in constant prices are derived by dividing the index in current prices by the producer price indices for construction elements and embedded materials. Hours of work include regular and over-time effective hours of work of construction site workers. The number of completed apartments refers to apartments with fully completed construction, installation and cover-up works. Data on the number of completed apartments refer to apartments completed during the reporting period. Construction activity in the territory of the Republic of Serbia refers to the performance of construction works by contractors in the Republic of Serbia.

3.4 Trade and Catering

Internal trade statistics comprises trade turnover in goods. All research is conducted using the sampling method. The survey covers all large, medium-sized and small companies selected by random sampling. Quarterly research covers legal entities while annual research covers entrepreneurs. Internal trade includes: wholesale and retail trade and repair of motor vehicles and motorcycles, wholesale trade except of motor vehicles and motorcycles and retail trade except of motor vehicles and motorcycles. Data on the network and turnover of legal entities in catering are collected by regular quarterly and annual reports. Data on entrepreneurs engaged in catering are collected by a sampling method on an annual basis. Data on

turnover in tourism (the number of tourists and overnight stays) are compiled from monthly reports of catering and non-catering organizations and family caterers.

3.5 Employment and Wages

The SORS publishes data on registered employment according to a new source – the Central Registry of Compulsory Social Insurance (CRCSI). The SORS has been using these data since end-2014. A new methodology was developed, combining data of the CRCSI and the Statistical Business Registry. The switch to the new data source has expanded the coverage of business entities and thus the number of employees in these entities, including all employment modalities. As so far, employed persons include persons with a legal employment contract (they entered into employment for a definite or indefinite period) and persons who are engaged in independent activities or are founders of companies or entrepreneurial firms. In addition, the new source includes persons working outside the scope of employment (based on the contract for the supply of services or the contract on temporary and periodical jobs), persons engaged in agricultural activities and recorded by the CRCSI, and persons employed with the Ministry of Interior, Ministry of Defence and Security Information Agency. The number of unemployed persons includes persons registered as unemployed according to the regular records of the National Employment Service. Data on gross and net wages of employees in legal entities of all types of ownership are derived from the monthly statistical survey (RAD-1), while data on wages of persons employed with entrepreneurs are taken from the Tax Administration. Wages are defined in accordance with the Labour Law (RS Official Gazette, Nos 24/2005 и 61/2005). In January 2009, the SORS expanded the coverage of observation units. In addition to wages paid out to employees in legal entities, in calculating average wages, the wages paid out to persons employed with entrepreneurs are also taken into account. The real index of unit labour costs in industry is the ratio of the real index of average gross wages to the physical volume of industrial production per employee. For the purposes of calculating unit labour costs in industry, real gross wages are nominal gross wages deflated by the index of industrial producer prices (and not by the typically applied consumer price index). Labour productivity in industry is calculated as the ratio of the physical volume of industrial production to the number of persons employed in industry. The source of data is the SORS.

3.6 Producer Prices

Industrial producer prices are prices at which industrial producers sell their products in the domestic market to trade and other companies. These prices do not include turnover tax, discount, cassa sconto, etc. They include a list of more than a thousand products from 29 areas of industrial production. The research methodology is based on the principle of representativeness. Agricultural and fishing producer prices are those at which agricultural companies and organisations sell their products in the domestic market, free seller (sale prices), and prices at which authorised companies and organisations purchase agricultural products from private farms (purchase prices). They include selected products in crop farming, fruit growing, stock breeding, domestic processing and fishing.

3.7 Consumer Prices

Inflation is calculated based on changes in consumer prices in the Republic of Serbia according to the Laspeyres method for the calculation of the overall price index. Included are products and services purchased and used in personal consumption of the population, and the list of products and services covered is updated annually to reflect the representative structure of consumption and consumers' habits. Consumer prices are a measure of average change in the price of a standard basket of goods and services purchased by households to meet their needs. The weights used reflect the composition of household consumption. Prices are screened in 15 towns, administrative and trade centres in the Republic of Serbia (retail outlets, markets, handicraft shops, public service providers etc.). Data in the table are presented

according to derived classes of products and services defined by the EUROSTAT in accordance with the internationally accepted Classification of individual consumption by purpose, adapted to the Harmonised index of consumer prices of the European Union and the euro area (COICOP/HICP classification).