**Quarterly indicators of gross domestic product and its elements**

***Basic concept***

The volume indices of GDP are calculated using a new methodology for constructing time series, which corresponds to the recommendations of the "System of national accounts, 1993", developed under the auspices of the UN Statistical Commission and the "Quarterly National Accounts Manual" of the IMF.

Time series of GDP and its components in constant prices are obtained by multiplying data on GDP and its components in the base period (for annual calculations -2003, for quarterly calculations - the value of the notional average quarter of 2003 (the value of 2003 divided by 4) by the corresponding chain indices of volume of GDP and its components. Volume indices of GDP and its components to the corresponding period of the previous year are calculated as the quotient of the rate reporting period average annual prices of the previous year for the same indicator of the corresponding period of the previous year in average annual prices.

In this approach, there is a discrepancy between GDP as a whole and the sum of its components calculated at constant prices, due to changes in the structure of weights used to calculate individual index links.

Previously, GDP and its constituent aggregates at constant prices were calculated as the sum of their elements, each of which was converted to constant prices, but this approach violates the correspondence between the chain index of GDP and the indices calculated based on the time series of GDP at constant prices. Methodological changes in the calculation of GDP at constant prices have been made taking into account the practice of most developed countries. The advantage of the method based on the use of chain indexes, which is currently used, is that it allows better accounting for changes in the structure of GDP.

***Evaluation of elements produced and used***

***GDP at constant prices***

The GDP estimated at constant prices is made on the basis of dividing GDP at current prices into separate cost components and applying appropriate methods to them for their revaluation at average annual prices of the previous year.

To re-evaluate GDP and its components at average annual prices of the previous year, deflation and extrapolation methods are used. In some cases, the direct revaluation method is also used. The evaluation method depends on the nature of the indicator being evaluated and the available information.

As part of the components of GDP by production and expenditure approaches, market goods and services for which data on price changes are available are estimated at constant prices, usually by deflation, in other cases by extrapolation using volume indices. Non-market services, the cost of which is determined at current prices in the amount of current expenditures of the units providing them (including consumption of fixed capital), are in most cases estimated at constant prices by extrapolation using quantitative indicators that indirectly reflect the dynamics of production development in this industry. These indicators are used as indicators of changes in the number of employees in institutions that provide these services. In all other cases, the revaluation is performed using the deflation method based on deflators for similar types of market services.

The reconciliation of quarterly and annual indicators is carried out by adjusting the values of quarterly data, since annual estimates are based on more detailed information about prices and values than the available quarterly information. The adjustment methodology is based on minimizing deviations from the calculated values.

Quarterly issues of industries that provide non-market services are obtained on the basis of an even distribution of annual current expenditures by quarter, followed by their revaluation at the current prices of each quarter (based on the ratio of consumer price indices of each quarter to the average annual consumer price index). Intermediate consumption of these industries for quarters is calculated based on its average annual ratio to output for the corresponding year. The final consumption expenditure calculation also takes into account sales at not economically significant prices and the cost of purchasing goods and services to be transferred to households.

To obtain the full volume of output and final consumption expenditures, the consumption of fixed capital for each type of non-market services is added.

Indicators of the time series of gross domestic product, gross value added by type of economic activities, and elements of the use of gross domestic product in value terms at 2003 prices are adjusted for the seasonal pattern.

Seasonal adjustments allow to exclude the impact of an intra-annual seasonal structure that occurs as a result of natural factors, administrative and legislative measures, socio-cultural traditions, and other systemic effects (the number of working days during a given time period, events that occur at regular intervals, but at different times each year).

Statistical adjustments for seasonal fluctuations are made based on the standard X-12-ARIMA program.

This publication provides data on quarterly volumes of GDP by expenditure approach for 1996-2003, calculated at average annual prices in 2003. Accordingly, the indices of volume of elements of GDP by expenditure approach for the corresponding quarters of previous years have changed relative to the values published earlier (the indices for 1996-2000 were determined based on the volumes at average annual prices of 1995, the indices for 2001-2003-based on the volumes at average annual prices of 2000)

Quarterly indices of the volume of GDP elements relative to the corresponding quarters of previous years, starting from 2004, in some cases have changed slightly compared to those published earlier due to the linking of quarterly and annual values at constant prices.