

Table of Contents

List of Tables	10
Chapter One Background to National Accounting in Hungary	13
Historical background	13
Before 1950	13
The early 1950s	13
The late 1950s, early 1960s	14
The favourable environment for the development of national accounts in the second half of the 1960s	15
The New Economic Management System	15
Participation in the revision of the SNA in 1964-68	15
Support of the top management of the HCSO	16
Main characteristics of the Hungarian accounting system introduced in 1970	16
A dual integrated and extended system	16
Macro and micro-statistics are linked in the system	16
Harmonisation with input/output tables	17
To what extent was the SNA introduced in Hungary in 1970	17
How did the Hungarian System of National Accounts (HNA) differ from the 1968 SNA?	17
Classifications	18
Production and use of goods and services	19
Income distribution	20
Financing of capital formation	21
Institutional differences	21
Development and problems in national accounting between 1970 and the second half of the 1980s	21
International comparisons	22
Reflection of open inflation	22
Reflection of hidden inflation	22
Reflection of organisational changes in the measurement of production	22
Weaknesses and inconsistencies in the measurement of income and financial flows	22
Since the late 1980s	23
Chapter Two Statistical Sources, Units and Classifications	25
Statistical sources and units	25
Data sources and groups of statistical units	25
Enterprises	25

Households	27
Government and non-profit institutions	27
Registration	28
Number of units	28
Classifications	29
Industrial classification	29
Comparison between HIC 90 and ISIC Rev.3	29
Classification by form of control and ownership	31
Sectors in HNA	31
Prior to 1989	31
Socialist sector	32
Private sector	32
Since 1989	32
Sector 1: Enterprises	32
Sector 2: Small partnerships, sole proprietors and non-registered household production	33
Sector 3: Government units and non-profit institutions	33
Sector 4: Private non-profit institutions serving households	33
 Chapter Three GDP by Production	 39
Introduction: Production account - Source and use table	39
Gross output	41
Enterprises, including non-registered activity of households	41
Group 1.A: Large enterprises	42
Group 1.B: Small to medium sized enterprises	42
Group 2: Partnerships and sole proprietors paying tax on profit	42
Group 3: Sole proprietors paying personal income tax	43
Group 4: Non-registered activity of households	43
Estimation methods for specific activities	43
Agriculture	43
Forestry	44
Construction	44
Trade	44
Banking and insurance	45
Owner-occupied dwellings	45
Public Housing services	45
General government and other non-profit institutions	46
Intermediate consumption	47
Enterprises, including non-registered activity of households	47
Group 1.A: Large Enterprises	47
Group 1.B: Small to medium sized enterprises	49
Group 2: Partnerships and sole proprietors paying tax on profits	49
Group 3: Sole proprietors paying personal income tax	49
Group 4: Non-registered activity of households	50
Government units and non-profit institutions	50
GDP/value added	50
Net taxes on products	50
VAT	51
Valuation differences	52
Summary of SNA deviations affecting GDP	52
Kind of activity accounts	53

MPS indicators	54
Chapter Four GDP by Final Uses	61
Final consumption	61
Individual consumption	61
Purchased goods and services	62
Consumption of own-account production	62
Goods and services provided as wages in kind	63
Goods and services provided as social transfers in kind	63
Classification of household goods and services	64
Collective consumption	65
Gross capital formation	66
Gross fixed capital formation	66
Changes in inventories	68
Exports and imports of goods and services	69
Export and import of goods prior to 1991	69
Export and import of goods from 1991 onwards	69
Foreign trade in services	71
Summary of deviations from SNA	71
Final consumption	71
Gross capital formation	72
Exports and imports of goods and services	73
 Chapter Five Price and Volume Measures	 75
GDP by production	76
Gross output, intermediate consumption, value added	76
Market goods and services	76
Non-market goods and services	76
Net taxes on products	77
Valuation difference	77
GDP by final uses	78
Individual consumption	78
Household consumption expenditure	78
Social transfers in kind	78
Collective consumption	78
Gross fixed capital formation	78
Changes in inventories	78
Exports and imports of goods and services	79
 Chapter Six Generation, Distribution and Use of Income of Production Sectors	 81
Introduction	81
Classification of income flows	83
Total income of the national economy	83
Primary distribution of income	83
Redistribution of primary income	84
Use of income	84
Accounting method	85
Data sources and definitions	85

Data sources	85
Definition of income flows	87
Labour income	87
Social security contributions	88
Taxes on production	89
Taxes on products	89
Other taxes on production	89
Subsidies	89
Subsidies on products	89
Other subsidies on production	91
Operating surplus	91
Taxes paid out of operating surplus	92
Current subsidies received after income taxation	92
Profit assigned to employees	93
Income from direct investment	93
Interest	93
Insurance	94
Social benefits in cash	94
Other current transfers	94
Gross disposable income	95
Use of income	95
Final consumption expenditure	95
Saving	96
Investment grants and net lending/borrowing	96
Gross capital formation	96
Differences <i>vis-a-vis</i> the SNA	96

Chapter Seven Household Account	97
Introduction	97
Transactions on the household account	98
Labour income	98
Labour income in cash	99
Wages and salaries	99
Wage-like income	99
Entrepreneurial income	100
Labour income in kind	100
Profit assigned to employees	101
Social benefits in cash	101
Pensions	101
Sickness benefits	101
Family allowance	101
Child care allowance	101
Other social assistance grants	102
Scholarships	102
Current transfers received and paid	102
Interest and dividends	102
Insurance	103
Rent on land	103
Other current transfers	103
Income taxes and other compulsory payments to government	104

Personal income tax	104
Contributions to pension funds	104
Other duties and taxes	104
Imputed contributions by employees accounted as wages and salaries	104
Disposable income	104
Consumption of fixed capital of owner-occupied dwellings	105
Exchange of currencies	105
Household consumption expenditures	105
Saving	106
Social transfers in kind	106
Adjusted disposable income and individual consumption	106
Capital transfers	106
Gross capital formation	107
Borrowing, minus repayments of loans, and gross lending	107
 Chapter Eight SNA presentation of the HNA data	 111
Sectors and accounts	111
Accounts and flows	112
Production account/external account of goods and services	112
Generation of income account	113
Distribution of income account	113
Use of disposable income, redistribution of income in kind and use of adjusted disposable income	115
Capital account	115
 Chapter Nine Revision of HNA methodology and estimates - 1992 to 1994	 123
Changes in data sources	123
Non-financial enterprises	123
Financial enterprise sector	124
Government sector	124
Non-profit institutions	125
Household sector	125
Methodological changes	125
Quarterly national accounts	126
Further developments after 1994	126
 Notes	 127
 Annex One: Tables	 129
 Annex Two: The Standardised System of Classification of Economic Activities and the Classification Codes (HIC 90)	 189
 Annex Three: Classification by Ownership and Control	 195
 Annex Four: Comparison of Industrial Classification: ISIC Rev. 2 and HIC 90	 199

LIST OF TABLES

Text

2.1	Statistical units in national accounts from 1989 to 1991	34
2.2	Number of units by sector and their contributions to GDP	35
2.3	Gross Domestic Product by ownership and control 1989-90	36
2.4	Number of enterprises by industries June 1991	37
2.5	Number of enterprises by size June 1991	38
3.1	Sources and uses table 1990	39
3.2	Gross output by institutional units and by activities 1986 and 1990	55
3.3	Gross Domestic Product by institutional units and by activities 1986 and 1990	57
3.4	Calculation of net material product 1988	59
4.1	Example of the GFCF accounting scheme for two industries	67
6.1	Distribution of primary income 1990	84
6.2	Accounting method for non-financial enterprises using 1990 data	86
6.3	Example of correspondence between financial reports and national accounts	87
6.4	Schematic presentation of housing transactions	91
7.1	In kind items appearing in the generation and use of income, 1990	98
7.2	Income account of households, 1990	108
8.1	SNA presentation of HNA 1990	116

Annex 1

1.1.1	Gross domestic product by industries at current prices 1980-1991	130
1.1.2	Gross domestic product by industries at constant prices 1980-1991	131
1.2.1	Gross output by industries at current prices 1980-1991	132
1.2.2	Gross output by industries at constant prices 1980-1991	133
1.3.1	Sources and uses of gross output and gross domestic product 1988	134
1.3.2	Sources and uses of gross output and gross domestic product 1989	135
1.3.3	Sources and uses of gross output and gross domestic product 1990	136
1.3.4	Sources and uses of gross output and gross domestic product 1991	137
1.4.1	Production by industries 1988	138
1.4.2	Production by industries 1989	139
1.4.3	Production by industries 1990	140
1.4.4	Production by industries 1991	141
1.5.1	Gross output and gross domestic product by control and ownership 1989	142
1.5.2	Gross output and gross domestic product by control and ownership 1990	143
1.5.3	Gross output and gross domestic product by control and ownership 1991	144
1.6.1	Gross domestic product by industries and activities 1988	145
1.6.2	Gross domestic product by industries and activities 1989	146
1.6.3	Gross domestic product by industries and activities 1990	147

1.6.4	Gross domestic product by industries and activities 1991	148
1.7	Price indices of gross output in enterprises 1986-1991 (at basic prices)	149
2.1.1	Use of gross domestic product at current prices 1980-1991	150
2.1.2	Use of gross domestic product at constant prices 1980-1991	151
2.2.1	Individual consumption by main groups of expenditure at current prices 1980-1991	152
2.2.2	Individual consumption by main groups of expenditure at constant prices 1980-1991	153
2.3.1	Individual consumption by purpose of expenditure at current prices 1980-1991	154
2.3.2	Individual consumption by purpose of expenditure at constant prices 1980-1991	155
2.4	Consumer price index by main groups of expenditure 1980-1991	156
2.5.1	Gross fixed capital formation by industries at current prices 1988-1991	157
2.5.2	Gross fixed capital formation by industries at 1988 prices 1988-1991	159
2.5.3	Gross fixed capital formation by control and ownership at current prices 1988-1991	161
2.6.1	Exports and imports of goods and services at current prices 1980-1991	163
2.6.2	Exports and imports of goods and services at constant prices 1980-1991	164
3.1.1	Income distribution by sectors of production 1989	165
3.1.2	Income distribution by sectors of production 1990	166
3.1.3	Income distribution by sectors of production 1991	167
3.2.1	Income account of enterprises by control and ownership 1990	168
3.2.2	Income account of enterprises by control and ownership 1991	169
3.3	Summary figures on taxes and subsidies on products 1985-1991	170
3.4.1	Taxes and subsidies on products 1988	171
3.4.2	Taxes and subsidies on products 1989	173
3.4.3	Taxes and subsidies on products 1990	175
3.4.4	Taxes and subsidies on products 1991	177
4.1	Receipts and outlays of households 1985-1991	179
4.2	Income account of households 1985-1991	181
4.3	Structure of household disposable income at current prices 1980-1991	182
4.4	Details of some social benefits in cash 1980-1991	183
4.5	Individual consumption by sources of income 1980-1991	184
5.1	Population and labour force 1980-1991	185
5.2	Number of employed persons by industries 1980-1991	186
5.3	Structure of economically active population 1980-1991	187

Conventional signs used in the tables:

- .. Not available
- Nil or negligible
- Small numbers may round to zero.