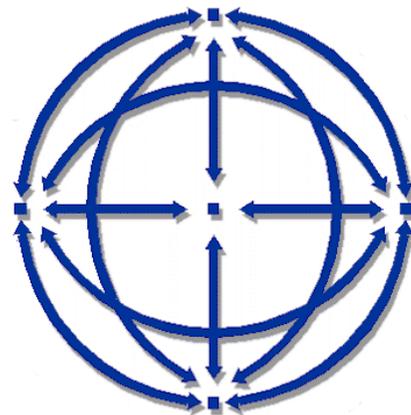


Latest Developments in the Canadian Economic Accounts

The 2011 to 2013 revisions of the Income and Expenditure Accounts



How to obtain more information

For information about this product or the wide range of services and data available from Statistics Canada, visit our website, www.statcan.gc.ca.

You can also contact us by

email at STATCAN.infostats-infostats.STATCAN@canada.ca

telephone, from Monday to Friday, 8:30 a.m. to 4:30 p.m., at the following numbers:

- | | |
|---|----------------|
| • Statistical Information Service | 1-800-263-1136 |
| • National telecommunications device for the hearing impaired | 1-800-363-7629 |
| • Fax line | 1-514-283-9350 |

Depository Services Program

- | | |
|------------------|----------------|
| • Inquiries line | 1-800-635-7943 |
| • Fax line | 1-800-565-7757 |

Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed standards of service that its employees observe. To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.gc.ca under “Contact us” > “Standards of service to the public.”

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

Standard table symbols

The following symbols are used in Statistics Canada publications:

- . not available for any reference period
- .. not available for a specific reference period
- ... not applicable
- 0 true zero or a value rounded to zero
- 0^s value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
- ^P preliminary
- ^r revised
- X suppressed to meet the confidentiality requirements of the *Statistics Act*
- ^E use with caution
- F too unreliable to be published
- * significantly different from reference category ($p < 0.05$)

Published by authority of the Minister responsible for Statistics Canada

© Minister of Industry, 2014

All rights reserved. Use of this publication is governed by the Statistics Canada [Open Licence Agreement](#).

An HTML version is also available.

Cette publication est aussi disponible en français.



The 2011 to 2013 revisions of the Income and Expenditure Accounts

Introduction

This article describes the revisions to the Gross Domestic Product by Income and by Expenditure Accounts for the period from 2011 to 2013. These data are released at the same time as the 2013 Provincial and Territorial Economic Accounts estimates, which include revisions to the 2011 and 2012 period.

The first two quarters of 2014 are also revised. However, since these estimates will continue to be revised during upcoming cycles, in accordance with our standard revision practice, they are not included in the analysis presented in this article.

Revision process

Estimates for the Gross Domestic Product by Income and by Expenditure Accounts are subject to three types of revisions. The first type involves incorporating the latest benchmark from the input-output tables. The second type involves incorporating data from the latest annual surveys and administrative data. The third type of revision, which is performed less frequently, refers to the incorporation of new concepts, methods, accounting standards and classification systems.

The 2011 to 2013 revisions to the Gross Domestic Product by Income and by Expenditure Accounts include only the first two types of revisions. In general, these two types of revisions, which are statistical in nature, are carried out annually and impact only the last three years of the time series.

The statistical revisions to gross domestic product (GDP) reflect the incorporation of the most current data sources, including survey results, administrative data, public accounts and the annual input-output tables. These tables incorporate the highest-quality data sources available to Statistics Canada in a rigorous, detailed accounting framework. Consequently, they represent the most detailed, coherent accounting system for the structure of the Canadian economy and are considered the most accurate benchmarks on which to

base estimates. In this release, new benchmark values from the input-output tables for the 2011 reference year have been incorporated into the GDP (Gross domestic product) by Income and by Expenditure Accounts. New benchmark information (from annual surveys and administrative data) is also included for the last two years (2012 and 2013).

This article briefly describes and explains the impact of the 2011 to 2013 revisions on annual and quarterly GDP (Gross domestic product), on both a nominal and a real basis. It also examines the revisions to the various components of GDP (Gross domestic product) by income and by expenditure.

Revisions to the growth of nominal GDP (Gross domestic product)

The revision to the annual growth rate of nominal GDP (Gross domestic product) pushed the rate up slightly by 0.1 percentage points for 2012, while leaving the estimate for 2013 unchanged. However, the largest annual revision in the three-year period was to the 2011 estimate, as the growth of nominal GDP (Gross domestic product) was revised upward by 0.7 percentage points. This is due to the incorporation of new benchmark data from the 2011 input-output tables. More precisely, the revision is mainly due to revised estimates of gross operating surplus which were significantly higher than the previous estimates.

For the period 2011 to 2013, the mean absolute percentage point revision to the annual growth rate in nominal GDP (Gross domestic product) was 0.3 percentage points (see Table 1).

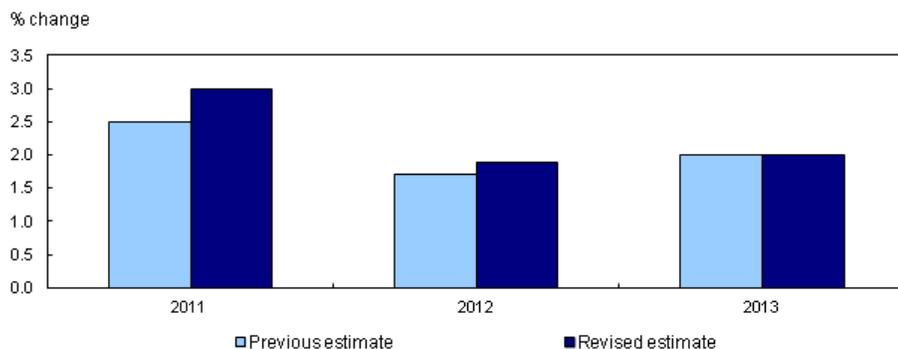
On a quarterly basis, the revisions to the growth rates of nominal GDP (Gross domestic product) resulted in little change relative to the previous estimates, with the exception of the first quarter of 2011. For that particular quarter, the growth rate of nominal GDP (Gross domestic product) was revised upward by 0.5 percentage points, mainly because of the incorporation of new benchmark data from the 2011 input-output tables.

The magnitude of the revisions for the other 11 quarters covered by the revision period ranged between an upward revision of 0.2 percentage points to a downward revision of 0.1 percentage points. These revisions are consistent with historical averages. Overall, there are upward revisions for five quarters, downward revisions for three quarters, and no changes for four quarters. Over the revision period, the quarterly trend remained similar to the trend based on the previously published estimates.

Revisions to the growth of real GDP (Gross domestic product)

The annual growth rate of real GDP (Gross domestic product) was revised upward by 0.5 percentage points for 2011 and by 0.2 percentage points for 2012. For 2013, the annual growth rate of real GDP (Gross domestic product) remained unchanged.

Chart 1
Revisions to real gross domestic product by year, chained (2007) dollars



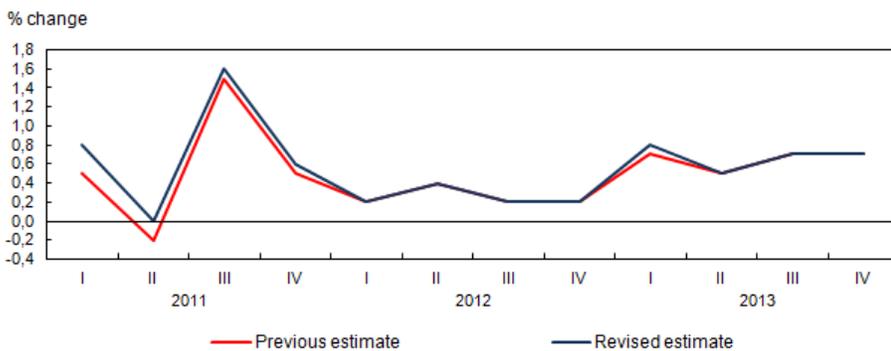
Source: Statistics Canada, Latest Developments in the Canadian Economic Accounts, catalogue number 13-605-X.

The mean absolute percentage point revision to the annual growth rate in real GDP (Gross domestic product) for the 2011 to 2013 revision period was 0.2 (see Table 2).

Due to changes in the commodity composition, the aggregated chained price indexes were revised upward by 0.2 percentage points for 2011 and downward by 0.2 percentage points for 2012. On the other hand, prices were almost unchanged for 2013 compared with the previously published estimates.

On a quarterly basis, the movement of real GDP (Gross domestic product) between 2011 and 2013 was slightly different from the previously published estimates (see Chart 2).

Chart 2
Revisions to real gross domestic product by quarter, chained (2007)
dollars



Source: Statistics Canada, Latest Developments in the Canadian Economic Accounts, catalogue number 13-605-X.

The quarterly growth rates of real GDP (Gross domestic product) for 2011 were higher than the previous estimates, as the rate was revised upward by 0.3 percentage points for the first quarter, by 0.2 percentage points for the second quarter, and by 0.1 percentage points for each of the last two quarters.

For 2012, the estimates for the four quarters were unchanged.

For 2013, real GDP (Gross domestic product) growth for the first quarter was revised up by 0.1 percentage points, while the estimates for the last three quarters were unchanged.

Overall, the mean absolute percentage point revision to the quarterly growth rate in real GDP (Gross domestic product) for the revision period was 0.1.

Revisions to the level of annual GDP (Gross domestic product)

For the period from 2011 to 2013, the revisions to the GDP (Gross domestic product) by income and by expenditure accounts were mainly attributable to the new input-output benchmarks for the 2011 reference year and to the incorporation of updated source data.

These statistical revisions resulted in an upward movement of the GDP (Gross domestic product) level for the revision period. Overall, the level of nominal GDP (Gross domestic product) was revised upward by \$10 billion for 2011, by \$11.3 billion for 2012, and by \$12.6 billion for 2013, which constitute increases of 0.6%, 0.6% and 0.7% respectively, relative to the previously estimated GDP (Gross domestic product) values.

In each of these three years, substantial revisions were made to various components of GDP (Gross domestic product). The main contributors were increases in the value of gross operating surplus on the income side and business gross fixed capital formation on the expenditure side, as the input-output tables exploited the detailed information contained in the annual business surveys and the final estimates of the capital repairs and expenditure survey.

Revisions to the components of the GDP (Gross domestic product) by income account

Table 5 shows the impact of revisions to the components of the GDP (Gross domestic product) by income account.

The main source of the revisions for the three years is the revision to the value of gross operating surplus. This value was adjusted upward by \$9.6 billion for 2011, by \$10.8 billion for 2012, and by \$12.9 billion for 2013. These large revisions are mainly due to the new input-output system benchmarks in 2011 and the incorporation of operating surplus estimates for the financial or non-financial corporations sector based on 2012 tax data. The estimate of the consumption of fixed capital for government and non-profit institutions serving households remained unchanged, while the estimate for corporations was revised downward slightly for 2012 and 2013.

Gross mixed income was revised downward by \$0.9 billion for 2011, by \$2.1 billion for 2012, and by \$3.1 billion for 2013. These downward revisions were mainly attributable to the incorporation of new data from the Canada Revenue Agency.

The incorporation of estimates of employee compensation based on tax data for 2011 and 2012 resulted in an upward adjustment of the level of compensation of employees for each of the three revision years. The levels for 2011, 2012 and 2013 were revised upward by \$1.4 billion, \$2.8 billion and \$3 billion respectively.

Revisions to the components of the GDP (Gross domestic product) by expenditure account

Table 6 provides a summary of the revisions to the main components of the GDP (Gross domestic product) by expenditure account. The estimates for household final consumption expenditure were revised slightly downward for 2011 and 2012, and upward for 2013. In each of the three years, expenditure on goods was adjusted downward, and expenditure on services was revised upward.

Government final consumption expenditure was about \$1 billion higher than the previously published estimates for each of the three revision years. These revisions reflect new data from the new input-output benchmarks for 2011 and new public accounts data for provincial, territorial and local governments.

Final expenditure of non-profit institutions serving households was revised upward by about \$1.3 billion for each of the last three years (2011 to 2013). These revisions reflect new tax benchmarks.

Business gross fixed capital formation was revised upward for every year in the 2011 to 2013 period. The largest revisions were for 2012 (+\$8.4 billion) and 2013 (+\$10.6 billion). The main factor in these upward revisions was non-residential construction. The revisions reflect final estimates of capital investment data from the input-output tables.

The estimates of government gross fixed capital formation were revised downward for 2011, 2012 and 2013. The revisions were larger for 2012 (-\$4.2 billion) and 2013 (-\$4.6 billion). These estimates now incorporate new data from the Capital and Repair Expenditures Survey released in February 2014.

The revisions to the estimates of business inventories are up for the three revision years. The largest upward revision was for 2011 (+\$5.5 billion). These revisions reflect new data from the Annual Survey of Manufacturing, the Annual Wholesale Trade Survey and the Annual Retail Trade Survey.

Exports of goods and services were revised upward for each of the last three years (2011 to 2013). The revisions were larger for 2012 (+\$6.5 billion) and 2013 (+\$5.9 billion). Revisions to exports of goods are minimal, while revisions to exports of services are substantial for 2012 and 2013, as data from the annual survey of international trade in services were incorporated into the GDP (Gross domestic product) by expenditure accounts. Exports of services were revised upward by \$5.9 billion for 2012 and \$6 billion for 2013. These upward revisions are almost entirely due to the revision of exports of commercial services.

Imports of goods and services were revised downward slightly for 2011 and upward for 2012 and 2013. As in the case of exports, the revisions to imports of goods are minor, while the revisions to imports of services are significant for 2012 and 2013. They were revised upward by \$4.4 billion for 2012 and \$4.6 billion for 2013.



Table 1 Revisions to the average annual growth rate of nominal GDP

Period	Previous estimate	Current estimate	Revision
	percentage		percentage point
2011 to 2013	4.2	4.5	0.3
2011	5.8	6.5	0.7
2012	3.4	3.5	0.1
2013	3.4	3.4	0.0



Table 2

Revisions to the average annual growth rate of real GDP

Period	Previous estimate	Current estimate	Revision
	percentage		percentage point
2011 to 2013	2.1	2.3	0.2
2011	2.5	3.0	0.5
2012	1.7	1.9	0.2
2013	2.0	2.0	0.0



Table 3

Revisions to the average quarterly growth rate of nominal GDP

Period	Previous estimate	Current estimate	Revision
	percentage		percentage point
2011 to 2013	1.0	1.0	0.0
2011	1.5	1.6	0.1
2012	0.5	0.6	0.1
2013	0.9	1.0	0.1



Table 4

Revisions to the average quarterly growth rate of real GDP

Period	Previous estimate	Current estimate	Revision
	percentage		percentage point
2011 to 2013	0.5	0.6	0.1
2011	0.6	0.8	0.2
2012	0.3	0.3	0.0
2013	0.7	0.7	0.0



Table 5

Revisions to the components of the gross domestic product by income account

	Previous estimate	Current estimate	Revision
	millions of dollars		
2011			
Compensation of employees	883,753	885,131	1,378
Gross operating surplus	497,803	507,413	9,610
Gross mixed income	202,270	201,335	-935
Taxes less subsidies on production	73,598	73,617	19
Taxes less subsidies on products	102,874	103,010	136
GDP at market prices	1,760,011	1,770,014	10,003
2012			
Compensation of employees	923,424	926,189	2,765
Gross operating surplus	501,470	512,293	10,823
Gross mixed income	211,160	209,063	-2,097
Taxes less subsidies on production	75,479	75,496	17
Taxes less subsidies on products	108,968	109,155	187
GDP at market prices	1,819,967	1,831,228	11,261
2013			
Compensation of employees	957,170	960,209	3,039
Gross operating surplus	511,887	524,779	12,892
Gross mixed income	221,610	218,540	-3,070
Taxes less subsidies on production	76,369	76,451	82
Taxes less subsidies on products	113,568	113,471	-97
GDP at market prices	1,881,200	1,893,759	12,559



Table 6 Revisions to the components of the gross domestic product by expenditure account

	Previous estimate	Current estimate	Revision
	millions of dollars		
2011			
Household final consumption expenditure	955,985	955,500	-485
Government final consumption expenditure	381,774	382,716	942
Non-profit institutions serving households' final consumption expenditure	24,138	25,361	1,223
Business gross fixed capital formation	334,223	336,750	2,527
Government gross fixed capital formation	75,126	75,017	-109
Non-profit institutions serving households' gross fixed capital formation	2,688	2,280	-408
Inventories	7,659	13,127	5,468
Exports	540,657	540,969	312
Imports	562,525	562,198	-327
Gross domestic product at market prices	1,760,011	1,770,014	10,003
2012			
Household final consumption expenditure	987,388	987,036	-352
Government final consumption expenditure	394,499	395,637	1,138
Non-profit institutions serving households' final consumption expenditure	24,998	26,334	1,336
Business gross fixed capital formation	359,726	368,154	8,428
Government gross fixed capital formation	77,208	73,008	-4,200
Non-profit institutions serving households' gross fixed capital formation	2,335	2,439	104
Inventories	9,491	11,481	1,990
Exports	546,617	553,130	6,513
Imports	582,829	586,959	4,130
Gross domestic product at market prices	1,819,967	1,831,228	11,261
2013			
Household final consumption expenditure	1,023,207	1,024,942	1,735
Government final consumption expenditure	407,757	408,743	986
Non-profit institutions serving households' final consumption expenditure	25,623	26,972	1,349
Business gross fixed capital formation	365,903	376,533	10,630
Government gross fixed capital formation	78,077	73,488	-4,589
Non-profit institutions serving households' gross fixed capital formation	2,302	2,485	183
Inventories	10,636	11,122	486
Exports	565,910	571,808	5,898
Imports	597,620	602,026	4,406
Gross domestic product at market prices	1,881,200	1,893,759	12,559