

Adjustment of Domestic Value Added: Need for Close Cooperation Between the National Bank (MNB) and the Statistical Office (HCSO)– Trade Balance Example

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Both users' needs and the harmonization of international methodological standards require decrease in data inconsistencies between financial and non financial accounts and through sectors. This work puts a pressure on NCB's and NSI's in order to cooperate with each other since they both collect and compile data for macroeconomic statistics. In Hungary this close cooperation between the national bank (MNB) and the statistical office (HCSO) started in the late 1990s and includes several fields of financial and non financial accounts. In the field of balance of payments statistics the introduction of a direct survey system in 2008 made it possible for BOP compilers in the MNB to get more data for individual companies than under the previous ITRS system and check them at company level. From 2011 onwards the legal possibility for the MNB to access individual data of foreign trade in goods and services data collected by HCSO strengthened the common work on macroeconomic statistics. During this process a special emphasis is put on investigating goods and services transactions together with their financing items from at least two points of views: (i) differences between them may result in serious errors and omissions, (ii) foreign trade data collected by HCSO may include incorrect value added information because of the presence of VAT registrations. The treatment of this phenomenon in the first step included a macro level adjustment for this component and in the second step it was extended by micro level adjustments due to widening empirical and methodological knowledge and the increasing legal possibilities. This paper shows why VAT registrations cause problems as regards the consistency of macroeconomic statistics and, as a consequence, how the close cooperation between MNB and HCSO on this topic may help aforementioned users' needs and harmonization.

Key Words: Data quality, VAT registration, Cooperation, Company level checking