Statistics Sweden
National Accounts Department

Compilation of the Swedish GDP indicator

As of May 2020, Statistics Sweden will disseminate a GDP indicator, also called flash estimate, on a quarterly basis approximately 35 days after the end of each quarter. It will be based on early compilations of monthly and quarterly economic statistics. The dissemination will take place around three weeks ahead of the regular quarterly GDP. The latter is based on more complete data and describes the different parts of the economy to a greater extent.

The overall structure of the compilation is similar to a regular compilation of quarterly GDP. Each component of GDP from the expenditure approach is calculated separately and then aggregated to GDP. Similarly, the value added is aggregated to yield GDP from the production approach. The two approaches are then balanced to produce a single GDP measure.

Although similar in structure, there are differences in methods between the indicator and the regular quarterly GDP due to differences in the availability of the underlying data. As more data becomes available in the subsequent regular GDP compilation, this will inevitably lead to revisions. For some areas, such as the business sector output, household consumption and inventories, the ordinary data sources are available in time for the indicator and compilations can be made basically according to standard routines. Still, revisions might follow to the extent that the data used in the indicator is preliminary and updated by the time the regular quarterly GDP is estimated. Examples of such sources are Foreign Trade in Goods and Production Value Index.

For other areas, where the full data source is not ready in time for the indicator, a sub-set of the data is used. This method is applied to for e.g. the number of hours worked in the Labour Force Survey and for business inventories. Using this method, there will most likely be revisions once data sources are complete. There are also areas for which there are no data sources available in time for the indicator. This is the case for foreign trade in services and gross fixed capital formation, and for government consumption. In these instances, proxies are used to estimate the target variable.

Accuracy
When developing the GDP indicator, Statistics Sweden has performed tests using real time data. The accuracy of the indicator has been good

on average. The mean absolute error for the y/y GDP growth is slightly less than 0.3 percentage points for the period 2016-2019.

For different components, the uncertainty is greater. While household consumption and business sector output have a largely good accuracy, gross fixed capital formation and foreign trade in services are less accurate on average. Therefore, Statistics Sweden will publish the overall GDP figure only and no sub-components in the GDP indicator. In addition, the indicator is preferably used together with other short term statistics that are disseminated around the same time, such as the Production Value Index, Foreign trade in goods and the monthly Household Consumption Index.

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