



**Solomon Islands Government**

**Statistical Bulletin: 13/2013**

**GROSS DOMESTIC PRODUCT  
2007 - 2012**

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## INTRODUCTION

This bulletin presents the newly constructed provisional Gross Domestic Product (GDP) estimates from 2010 to 2012. This edition also incorporates revisions to the previous set of GDP estimates, 2007 to 2009, upon receipt of new data since the publication of June, 2011 (Bulletin 08/2011). The annual GDP estimates are produced at current and constant 2004 prices, using the production and the expenditure approaches.

The estimates for 2010 to 2012 incorporate the latest source data from various sources (see Appendix 1) and in particular the business survey data for selected industries. Updates to the previous estimates also benefited from new data and imputed figures mainly from the business survey.

There are no major methodological changes apart from some improvements made in the compilation of the 2010-2012 estimates as well as revisions to the previous estimates. The methodology applied follows similar approaches applied in past publications. Particular applications of certain compilation techniques, treatment of data and conceptual issues are highlighted in Appendix 1.

The major data challenge for the compilation of the annual GDP estimates is the quality and reliability of source data. The robustness of the estimates depends mainly on the quality of input data. For instance, and as stated previously (shown in Table 1), that a key feature of the GDP estimates is the significant contribution to growth attributed by the Regional Assistance Mission to the Solomon Islands (RAMSI). Although recent data on the RAMSI Participating Police Force (PPF) has been provided, detailed information from the development budget on the whole of RAMSI and donor expenditure continues to be inadequate to accurately estimate their contribution to GDP.

The compilation of the GDP estimates follows the framework of the 1993 United Nations System of National Accounts (SNA). As stated in the previous edition, it is important to note that other government departments such as the Ministry of Finance and Treasury (MOFT), and the Central Bank of Solomon Islands (CBSI) also compile main GDP aggregates on a more frequent basis for their own internal use such as for forecasting purposes. The SISO is the central government agency responsible for official statistics and is mandated to compile and disseminate GDP estimates without due influence from any other agency or person. However, the SISO coordinates with other agencies with respect to data requirements.

The SISO acknowledges the support of the IMF's Pacific Financial Technical Assistance Centre (PFTAC) and the internal support of the Solomon Islands Partnership Facility (SIP) - Public Sector Governance Program (SIGOV).

### **Symbols**

- nil or less than half the last digit shown
- n/a not available
- r revised since previously published
- p preliminary/provisional estimates

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**Table 1. Gross Domestic Product (GDP) and per capita GDP**

| SELECTED AGGREGATES                     | Current Prices |         |          |          |          |          | Constant 2004 Prices |         |         |         |         |         |
|---|----------------|---------|----------|----------|----------|----------|----------------------|---------|---------|---------|---------|---------|
|   | 2007r/         | 2008r/  | 2009r/   | 2010p/   | 2011p/   | 2012p/   | 2007r/               | 2008r/  | 2009r/  | 2010p/  | 2011p/  | 2012p/  |
| GDP in SI\$ million                     | 4,499.3        | 4,936.0 | 5,143.6  | 5,803.4  | 6,649.8  | 7,177.8  | 3,722.2              | 3,860.1 | 3,869.1 | 4,280.8 | 4,555.1 | 4,675.3 |
| Growth Rate in Percent (%)              | 18.3%          | 9.7%    | 4.2%     | 12.8%    | 14.6%    | 7.9%     | 8.0%                 | 3.7%    | 0.2%    | 10.6%   | 6.4%    | 3%      |
| Per Capita GDP in SI\$                  | 9,224.1        | 9,887.2 | 10,066.8 | 11,097.6 | 12,424.4 | 13,103.3 | 7,630.9              | 7,732.0 | 7,572.4 | 8,186.0 | 8,510.7 | 8,535.0 |
| Growth Rate in Percent (%)              | 15.6%          | 7.2%    | 1.8%     | 10.2%    | 12.0%    | 5.5%     | 5.5%                 | 1.3%    | -2.1%   | 8.1%    | 4.0%    | 0.3%    |
| GDP in US\$ million                     | 588.1          | 636.9   | 639.0    | 720.0    | 870.4    | 975.2    | 486.6                | 498.1   | 480.6   | 531.1   | 596.2   | 635.2   |
| Growth Rate in Percent (%)              | 17.7%          | 8.3%    | 0.3%     | 12.7%    | 20.9%    | 12.0%    | 7.4%                 | 2.4%    | -3.5%   | 10.5%   | 12.3%   | 6.5%    |
| Per Capita GDP in US\$                  | 1,205.8        | 1,275.8 | 1,250.5  | 1,376.9  | 1,626.2  | 1,780.3  | 997.5                | 997.7   | 940.7   | 1,015.6 | 1,114.0 | 1,159.6 |
| Growth Rate in Percent (%)              | 15.0%          | 5.8%    | -2.0%    | 10.1%    | 18.1%    | 9.5%     | 5.0%                 | 0.0%    | -5.7%   | 8.0%    | 9.7%    | 4.1%    |
| Household Final Consumption Expenditure | 2,482.8        | 2,855.6 | 3,065.2  | 1,622.6  | 1,727.4  | 1,888.2  | 2,115.1              | 2,135.9 | 2,178.2 | 2,304.4 | 2,422.9 | 2,572.0 |
| Per Capita HFCE in SI\$                 | 5,209.4        | 5,991.8 | 6,431.6  | 3,404.6  | 3,624.5  | 3,961.8  | 4,336.2              | 4,278.4 | 4,263.1 | 4,406.6 | 4,527.0 | 4,695.3 |
| Monthly Per Capita HFCE in SI\$         | 434.1          | 499.3   | 536.0    | 283.7    | 302.0    | 330.2    | 361.3                | 356.5   | 355.3   | 367.2   | 377.2   | 391.3   |
| GDP excluding Development Budget        | 4,265.2        | 4,726.0 | 4,910.7  | 5,549.4  | 6,428.8  | 6,949.7  | 3,535.1              | 3,698.9 | 3,720.9 | 4,120.8 | 4,425.5 | 4,549.0 |
| Growth Rate in Percent (%)              | 19.3%          | 10.8%   | 3.9%     | 13.0%    | 15.8%    | 8.1%     | 8.8%                 | 4.6%    | 0.6%    | 10.7%   | 7.4%    | 3%      |
| Population (annual average)             | 487,781        | 499,232 | 510,951  | 522,946  | 535,222  | 547,787  |                      |         |         |         |         |         |
| Official exchange rate (SI\$/US\$)      | 7.65           | 7.75    | 8.05     | 8.06     | 7.64     | 7.36     |                      |         |         |         |         |         |
| r/ - revised estimates                  |                |         |          |          |          |          |                      |         |         |         |         |         |
| p/ - preliminary estimates              |                |         |          |          |          |          |                      |         |         |         |         |         |

**Table 2. Gross Domestic Product (GDP) by Economic Activity - Current and Constant Price Values**

| ECONOMIC ACTIVITY                            | Current Prices (SIS Millions) |                |                |                |                |                | Constant 2004 Prices (SIS Millions) |                |                |                |                |                |
|--|-------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
|  | 2007r/                        | 2008r/         | 2009r/         | 2010p/         | 2011p/         | 2012p/         | 2007r/                              | 2008r/         | 2009r/         | 2010p/         | 2011p/         | 2012p/         |
| <b>AGRICULTURE, FISHERIES &amp; FORESTRY</b> | <b>1,410.7</b>                | <b>1,444.8</b> | <b>1,420.5</b> | <b>1,673.4</b> | <b>1,887.8</b> | <b>1,991.8</b> | <b>1,122.9</b>                      | <b>1,115.3</b> | <b>1,129.3</b> | <b>1,316.0</b> | <b>1,348.1</b> | <b>1,342.6</b> |
| Agriculture & Hunting                        | 669.6                         | 842.1          | 873.1          | 975.9          | 1,129.7        | 1,141.6        | 571.4                               | 624.9          | 640.8          | 675.4          | 719.5          | 700.0          |
| Forestry & Logging                           | 551.9                         | 399.6          | 403.1          | 566.8          | 551.8          | 592.0          | 367.5                               | 282.1          | 312.4          | 451.7          | 401.0          | 407.3          |
| Fishing                                      | 189.2                         | 203.1          | 144.3          | 130.8          | 206.3          | 258.3          | 184.0                               | 208.2          | 176.1          | 188.9          | 227.5          | 235.4          |
| <b>INDUSTRY</b>                              | <b>462.4</b>                  | <b>595.0</b>   | <b>670.5</b>   | <b>776.4</b>   | <b>1,098.4</b> | <b>1,120.2</b> | <b>573.1</b>                        | <b>676.2</b>   | <b>653.4</b>   | <b>707.7</b>   | <b>862.0</b>   | <b>874.6</b>   |
| Mining & Quarrying                           | 5.3                           | 8.6            | 23.3           | 37.3           | 268.0          | 175.8          | 3.1                                 | 9.1            | 19.4           | 27.4           | 221.5          | 221.5          |
| Manufacturing                                | 310.1                         | 343.6          | 398.0          | 465.4          | 527.3          | 641.5          | 438.9                               | 448.0          | 451.5          | 484.6          | 465.1          | 476.0          |
| Electricity & Water                          | 36.1                          | 61.7           | 61.5           | 113.5          | 127.8          | 115.7          | 37.9                                | 90.0           | 56.3           | 91.6           | 84.6           | 84.7           |
| Construction                                 | 111.0                         | 181.1          | 187.8          | 160.2          | 175.3          | 187.1          | 93.1                                | 129.2          | 126.2          | 104.1          | 90.8           | 92.3           |
| <b>SERVICES</b>                              | <b>2,603.0</b>                | <b>2,910.6</b> | <b>3,072.3</b> | <b>3,373.8</b> | <b>3,637.0</b> | <b>4,039.0</b> | <b>2,004.7</b>                      | <b>2,038.9</b> | <b>2,057.5</b> | <b>2,247.5</b> | <b>2,311.5</b> | <b>2,422.2</b> |
| Wholesale and Retail Trade                   | 710.8                         | 812.2          | 832.6          | 904.1          | 1,037.9        | 1,126.3        | 430.3                               | 453.9          | 439.6          | 491.2          | 512.3          | 539.5          |
| Hotel & Restaurants                          | 28.6                          | 33.5           | 97.3           | 137.7          | 176.6          | 282.5          | 56.6                                | 54.0           | 66.4           | 83.3           | 93.7           | 97.8           |
| Transport & Storage                          | 234.0                         | 281.7          | 285.4          | 334.5          | 364.7          | 382.2          | 243.0                               | 256.3          | 248.2          | 277.3          | 289.2          | 304.6          |
| Communications                               | 113.1                         | 119.3          | 119.6          | 115.4          | 75.2           | 67.2           | 96.0                                | 99.3           | 99.6           | 110.8          | 117.2          | 120.3          |
| Financial Intermediation                     | 146.0                         | 199.1          | 171.0          | 132.3          | 157.6          | 192.1          | 116.7                               | 110.3          | 113.2          | 144.9          | 160.6          | 184.8          |
| Insurance Services                           | 46.9                          | 52.0           | 57.1           | 73.8           | 87.9           | 107.2          | 37.5                                | 35.4           | 36.3           | 46.5           | 51.6           | 59.3           |
| Real Estate & Renting                        | 262.6                         | 276.1          | 286.2          | 296.7          | 307.6          | 318.9          | 257.2                               | 266.6          | 276.4          | 286.5          | 297.0          | 307.9          |
| Owner Occupied Dwellings                     | 133.9                         | 141.2          | 146.8          | 152.6          | 158.7          | 165.0          | 118.6                               | 123.3          | 128.2          | 133.3          | 138.6          | 144.1          |
| Business Services                            | 32.9                          | 40.7           | 43.5           | 48.0           | 55.5           | 61.1           | 26.3                                | 27.7           | 27.7           | 30.3           | 32.6           | 33.9           |
| Public Administration & Defense              | 419.6                         | 432.8          | 477.1          | 542.1          | 542.3          | 589.1          | 313.2                               | 290.6          | 290.8          | 305.3          | 278.4          | 282.4          |
| Education                                    | 196.3                         | 217.2          | 243.4          | 280.7          | 297.1          | 337.8          | 132.5                               | 140.3          | 145.8          | 148.5          | 146.9          | 148.7          |
| Health                                       | 95.7                          | 112.2          | 123.6          | 150.3          | 159.7          | 175.3          | 47.6                                | 48.7           | 49.9           | 51.1           | 51.6           | 53.7           |
| Other Services                               | 182.6                         | 192.7          | 188.6          | 205.5          | 216.2          | 234.3          | 129.3                               | 132.3          | 135.4          | 138.6          | 141.9          | 145.2          |
| Taxes on Products less Subsidies             | 108.7                         | 121.8          | 127.9          | 129.0          | 186.9          | 222.2          | 89.9                                | 94.3           | 95.2           | 94.6           | 127.6          | 144.2          |
| Less Imputed Bank Charges                    | (85.5)                        | (136.3)        | (147.5)        | (149.2)        | (160.4)        | (195.5)        | (68.3)                              | (64.6)         | (66.3)         | (84.9)         | (94.1)         | (108.3)        |
| <b>GROSS DOMESTIC PRODUCT (GDP)</b>          | <b>4,499.3</b>                | <b>4,936.0</b> | <b>5,143.6</b> | <b>5,803.4</b> | <b>6,649.8</b> | <b>7,177.8</b> | <b>3,722.2</b>                      | <b>3,860.1</b> | <b>3,869.1</b> | <b>4,280.8</b> | <b>4,555.1</b> | <b>4,675.3</b> |
| <b>GDP Excluding Development Budget</b>      | <b>4,265.2</b>                | <b>4,726.0</b> | <b>4,910.7</b> | <b>5,549.4</b> | <b>6,428.8</b> | <b>6,949.7</b> | <b>3,535.1</b>                      | <b>3,698.9</b> | <b>3,720.9</b> | <b>4,120.8</b> | <b>4,425.5</b> | <b>4,549.0</b> |

r/ - revised estimates

p/ - preliminary estimates

**Table 3. Gross Domestic Product (GDP) by Expenditure Share - Current and Constant Price Values**

| EXPENDITURE  | Current Prices (SI\$ Millions) |                  |                |                  |                |                | Constant 2004 Prices (SI\$ Millions) |                |                |                |                |                |
|--|--------------------------------|------------------|----------------|------------------|----------------|----------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
|  | 2007r/                         | 2008r/           | 2009r/         | 2010p/           | 2011p/         | 2012p/         | 2007r/                               | 2008r/         | 2009r/         | 2010p/         | 2011p/         | 2012p/         |
| <b>Final Consumption Expenditure</b>               | <b>4,367.4</b>                 | <b>4,839.5</b>   | <b>5,184.1</b> | <b>6,078.2</b>   | <b>5,684.8</b> | <b>6,134.7</b> | <b>3,986.3</b>                       | <b>4,029.8</b> | <b>3,877.3</b> | <b>4,069.2</b> | <b>3,658.7</b> | <b>3,777.8</b> |
| Household Final Consumption Expenditure            | 2,482.8                        | 2,855.6          | 3,065.2        | 3,272.6          | 3,573.8        | 3,963.8        | 2,115.1                              | 2,135.9        | 2,178.2        | 2,304.4        | 2,422.9        | 2,572.0        |
| Private Non Profit Institutions Serving Households | 180.8                          | 193.8            | 187.3          | 205.6            | 208.5          | 233.4          | 146.9                                | 151.0          | 155.1          | 159.4          | 163.8          | 168.3          |
| Government Consumption Expenditure                 | 1,703.9                        | 1,790.1          | 1,931.6        | 2,600.1          | 1,902.5        | 1,937.6        | 1,724.2                              | 1,742.9        | 1,543.9        | 1,605.4        | 1,072.0        | 1,037.5        |
| <b>Gross Fixed Capital Formation</b>               | <b>727.8</b>                   | <b>791.5</b>     | <b>746.1</b>   | <b>1,178.6</b>   | <b>1,275.3</b> | <b>1,103.0</b> | <b>620.1</b>                         | <b>618.8</b>   | <b>510.3</b>   | <b>796.2</b>   | <b>746.6</b>   | <b>631.2</b>   |
| Durable Equipment                                  | 475.3                          | 478.4            | 417.3          | 527.8            | 826.7          | 647.6          | 395.5                                | 357.5          | 249.8          | 313.3          | 483.7          | 369.8          |
| Construction                                       | 252.5                          | 313.1            | 328.8          | 650.8            | 448.6          | 455.4          | 224.6                                | 261.3          | 260.5          | 482.9          | 262.9          | 261.4          |
| <b>Change in Inventories</b>                       | <b>47.5</b>                    | <b>55.2</b>      | <b>59.4</b>    | <b>64.6</b>      | <b>171.0</b>   | <b>154.6</b>   | <b>65.5</b>                          | <b>70.5</b>    | <b>70.3</b>    | <b>75.1</b>    | <b>117.5</b>   | <b>109.4</b>   |
| <b>Exports of Goods and Services</b>               | <b>1,710.4</b>                 | <b>2,089.1</b>   | <b>1,891.9</b> | <b>2,663.0</b>   | <b>4,225.0</b> | <b>4,675.0</b> | <b>1,141.5</b>                       | <b>1,240.9</b> | <b>1,060.7</b> | <b>1,441.9</b> | <b>1,948.0</b> | 2,355.6        |
| Merchandise, f.o.b.                                | 1,259.2                        | 1,631.4          | 1,328.6        | 1,804.0          | 3,174.0        | 3,628.0        | 786.7                                | 905.7          | 660.7          | 843.7          | 1,236.6        | 1,672.0        |
| Services   | 451.2                          | 457.6            | 563.3          | 859.0            | 1,051.0        | 1,047.0        | 354.8                                | 335.2          | 400.0          | 598.3          | 711.4          | 683.6          |
| <b>Less: Imports of Goods and Services</b>         | <b>2,745.3</b>                 | <b>3,165.2</b>   | <b>2,772.6</b> | <b>4,418.0</b>   | <b>4,758.0</b> | <b>4,885.0</b> | <b>2,074.1</b>                       | <b>2,017.0</b> | <b>1,639.2</b> | <b>2,132.4</b> | <b>1,968.7</b> | <b>2,167.5</b> |
| Merchandise, f.o.b.                                | 2,004.9                        | 2,267.1          | 1,926.6        | 2,906.0          | 3,276.0        | 3,381.0        | 1,514.7                              | 1,444.6        | 1,139.1        | 1,265.7        | 1,183.2        | 1,391.9        |
| Services   | 740.4                          | 898.1            | 846.0          | 1,512.0          | 1,482.0        | 1,504.0        | 559.3                                | 572.3          | 500.2          | 866.7          | 785.4          | 775.6          |
| <i>Balance on External Goods and Services</i>      | <i>(1,034.9)</i>               | <i>(1,076.1)</i> | <i>(880.7)</i> | <i>(1,755.0)</i> | <i>(533.0)</i> | <i>(210.0)</i> | <i>(932.6)</i>                       | <i>(776.1)</i> | <i>(578.6)</i> | <i>(690.5)</i> | <i>(20.6)</i>  | <i>188.1</i>   |
| Statistical Discrepancy                            | 391.5                          | 325.9            | 34.7           | 237.0            | 51.7           | (4.6)          | (17.1)                               | (82.9)         | (10.2)         | 30.9           | 53.1           | (31.2)         |
| <b>GROSS DOMESTIC PRODUCT</b>                      | <b>4,499.3</b>                 | <b>4,936.0</b>   | <b>5,143.6</b> | <b>5,803.4</b>   | <b>6,649.8</b> | <b>7,177.8</b> | <b>3,722.2</b>                       | <b>3,860.1</b> | <b>3,869.1</b> | <b>4,280.8</b> | <b>4,555.1</b> | <b>4,675.3</b> |

r/ - revised estimates

p/ - preliminary estimates

**Table 4. Growth Rates (%) of Gross Domestic Product (GDP) by Economic Activity - Current and Constant Price Values**

| Industry                                     | Current Prices (SIS Millions) |        |        |        |        |        | Constant 2004 Prices (SIS Millions) |        |        |        |        |        |
|--|-------------------------------|--------|--------|--------|--------|--------|-------------------------------------|--------|--------|--------|--------|--------|
|  | 2007r/                        | 2008r/ | 2009r/ | 2010p/ | 2011p/ | 2012p/ | 2007r/                              | 2008r/ | 2009r/ | 2010p/ | 2011p/ | 2012p/ |
| <b>AGRICULTURE, FISHERIES &amp; FORESTRY</b> | 14.1                          | 2.4    | (1.7)  | 17.8   | 12.8   | 5.5    | 7.1                                 | (0.7)  | 1.3    | 16.5   | 2.4    | (0.4)  |
| Agriculture & Hunting                        | 14.4                          | 25.8   | 3.7    | 11.8   | 15.8   | 1.1    | 9.8                                 | 9.4    | 2.5    | 5.4    | 6.5    | (2.7)  |
| Forestry & Logging                           | 27.7                          | (27.6) | 0.9    | 40.6   | (2.6)  | 7.3    | 16.5                                | (23.2) | 10.7   | 44.6   | (11.2) | 1.6    |
| Fishing                                      | (13.7)                        | 7.4    | (29.0) | (9.3)  | 57.8   | 25.2   | (13.5)                              | 13.1   | (15.4) | 7.2    | 20.5   | 3.4    |
| <b>INDUSTRY</b>                              | 24.5                          | 28.7   | 12.7   | 15.8   | 41.5   | 2.0    | 11.7                                | 18.0   | (3.4)  | 8.3    | 21.8   | 1.5    |
| Mining & Quarrying                           | 34.2                          | 63.9   | 168.9  | 60.3   | 618.9  | (34.4) | 59.4                                | 189.0  | 113.8  | 41.5   | 708.8  | (0.0)  |
| Manufacturing                                | 34.0                          | 10.8   | 15.8   | 16.9   | 13.3   | 21.7   | 21.3                                | 2.1    | 0.8    | 7.3    | (4.0)  | 2.4    |
| Electricity & Water                          | (7.3)                         | 70.9   | (0.3)  | 84.7   | 12.6   | (9.5)  | (44.8)                              | 137.3  | (37.5) | 62.7   | (7.7)  | 0.2    |
| Construction                                 | 14.4                          | 63.2   | 3.7    | (14.7) | 9.4    | 6.8    | 15.5                                | 38.7   | (2.3)  | (17.6) | (12.7) | 1.6    |
| <b>SERVICES</b>                              | 19.7                          | 11.8   | 5.6    | 9.8    | 7.8    | 11.1   | 7.6                                 | 1.7    | 0.9    | 9.2    | 2.8    | 4.8    |
| Trade  | 36.4                          | 14.3   | 2.5    | 8.6    | 14.8   | 8.5    | 9.7                                 | 5.5    | (3.2)  | 11.7   | 4.3    | 5.3    |
| Hotel & Restaurants                          | 72.5                          | 16.9   | 190.7  | 41.5   | 28.3   | 60.0   | 3.4                                 | (4.6)  | 23.0   | 25.4   | 12.5   | 4.4    |
| Transport & Storage                          | 5.4                           | 20.4   | 1.3    | 17.2   | 9.0    | 4.8    | 1.3                                 | 5.5    | (3.2)  | 11.7   | 4.3    | 5.3    |
| Communications                               | 15.7                          | 5.5    | 0.3    | (3.5)  | (34.8) | (10.6) | 14.6                                | 3.5    | 0.3    | 11.2   | 5.9    | 2.6    |
| Financial Intermediation                     | 29.2                          | 36.4   | (14.1) | (22.6) | 19.1   | 21.9   | 20.0                                | (5.4)  | 2.6    | 28.0   | 10.8   | 15.1   |
| Insurance Services                           | 29.2                          | 10.9   | 9.9    | 29.2   | 19.1   | 21.9   | 20.0                                | (5.4)  | 2.6    | 28.0   | 10.8   | 15.1   |
| Real Estate & Renting                        | 4.4                           | 5.1    | 3.7    | 3.7    | 3.7    | 3.7    | 3.7                                 | 3.7    | 3.7    | 3.7    | 3.7    | 3.7    |
| Owner Occupied Dwellings                     | 4.7                           | 5.5    | 4.0    | 4.0    | 4.0    | 4.0    | 4.0                                 | 4.0    | 4.0    | 4.0    | 4.0    | 4.0    |
| Business Services                            | 17.2                          | 23.8   | 6.8    | 10.4   | 15.6   | 10.1   | 8.8                                 | 5.5    | (0.3)  | 9.4    | 7.6    | 4.0    |
| Public Administration & Defense              | 23.3                          | 3.1    | 10.3   | 13.6   | 0.0    | 8.6    | 12.2                                | (7.2)  | 0.1    | 5.0    | (8.8)  | 1.4    |
| Education                                    | 9.7                           | 10.6   | 12.0   | 15.3   | 5.8    | 13.7   | 11.9                                | 5.9    | 3.9    | 1.8    | (1.1)  | 1.2    |
| Health                                       | 13.4                          | 17.2   | 10.2   | 21.6   | 6.3    | 9.7    | (11.1)                              | 2.4    | 2.3    | 2.5    | 0.9    | 4.2    |
| Other Services                               | 16.4                          | 5.5    | (2.1)  | 8.9    | 5.2    | 8.3    | 2.3                                 | 2.3    | 2.3    | 2.3    | 2.3    | 2.3    |
| Taxes on Products less Subsidies             | 24.0                          | 12.0   | 5.0    | 0.8    | 44.9   | 18.9   | 13.2                                | 4.9    | 1.0    | (0.6)  | 34.9   | 13.0   |
| Less Imputed Bank Charges                    | 29.2                          | 59.4   | 8.2    | 1.2    | 7.5    | 21.9   | 20.0                                | (5.4)  | 2.6    | 28.0   | 10.8   | 15.1   |
| <b>GROSS DOMESTIC PRODUCT (GDP)</b>          | 18.3                          | 9.7    | 4.2    | 12.8   | 14.6   | 7.9    | 8.0                                 | 3.7    | 0.2    | 10.6   | 6.4    | 2.6    |
| <b>GDP Excluding Development Budget</b>      | 19.3                          | 10.8   | 3.9    | 13.0   | 15.8   | 25.2   | 8.8                                 | 4.6    | 0.6    | 10.7   | 7.4    | 2.8    |

**Table 5. Growth Rates (%) of Gross Domestic Product (GDP) by Economic Activity - Current and Constant Price Values**

| Expenditure  | Current Prices (SIS Millions) |        |        |        |        |        | Constant 2004 Prices (SIS Millions) |        |        |        |        |        |
|--|-------------------------------|--------|--------|--------|--------|--------|-------------------------------------|--------|--------|--------|--------|--------|
|  | 2007r/                        | 2008r/ | 2009r/ | 2010p/ | 2011p/ | 2012p/ | 2007r/                              | 2008r/ | 2009r/ | 2010p/ | 2011p/ | 2012p/ |
| <b>Final Consumption Expenditure</b>               | 11.7                          | 10.8   | 7.1    | 17.2   | -6.5   | 7.9    | 6.9                                 | 1.1    | (3.8)  | 4.9    | (10.1) | 3.3    |
| Household Final Consumption Expenditure            | 12.4                          | 15.0   | 7.3    | 6.8    | 9.2    | 10.9   | 8.0                                 | 1.0    | 2.0    | 5.8    | 5.1    | 6.2    |
| Private Non Profit Institutions Serving Households | 0.4                           | 7.2    | -3.3   | 9.8    | 1.4    | 11.9   | 2.7                                 | 2.7    | 2.7    | 2.8    | 2.8    | 2.8    |
| Government Consumption Expenditure                 | 12.1                          | 5.1    | 7.9    | 34.6   | -26.8  | 1.8    | 5.9                                 | 1.1    | (11.4) | 4.0    | (33.2) | (3.2)  |
| <b>Gross Fixed Capital Formation</b>               | 30.1                          | 8.7    | -5.7   | 58.0   | 8.2    | -13.5  | 27.9                                | (0.2)  | (17.5) | 56.0   | (6.2)  | (15.4) |
| Durable Equipment                                  | 34.2                          | 0.6    | -12.8  | 26.5   | 56.6   | -21.7  | 30.4                                | (9.6)  | (30.1) | 25.4   | 54.4   | (23.5) |
| Construction                                       | 23.0                          | 24.0   | 5.0    | 97.9   | -31.1  | 1.5    | 23.6                                | 16.3   | (0.3)  | 85.4   | (45.6) | (0.6)  |
| <b>Change in Inventories</b>                       | 16.1                          | 16.3   | 7.5    | 8.7    | 164.9  | -9.6   | 15.4                                | 7.7    | (0.3)  | 6.8    | 56.5   | (6.9)  |
| <b>Exports of Goods and Services</b>               | 34.6                          | 22.1   | -9.4   | 40.8   | 58.7   | 10.7   | 15.5                                | 8.7    | (14.5) | 35.9   | 35.1   | 20.9   |
| Merchandise, f.o.b.                                | 45.1                          | 29.6   | -18.6  | 35.8   | 75.9   | 14.3   | 18.6                                | 15.1   | (27.1) | 27.7   | 46.6   | 35.2   |
| Services   | 11.8                          | 1.4    | 23.1   | 52.5   | 22.4   | -0.4   | 9.2                                 | (5.5)  | 19.3   | 49.6   | 18.9   | (3.9)  |
| <b>Less: Imports of Goods and Services</b>         | 36.8                          | 15.3   | -12.4  | 59.3   | 7.7    | 2.7    | 24.5                                | (2.8)  | (18.7) | 30.1   | (7.7)  | 10.1   |
| Merchandise, f.o.b.                                | 34.6                          | 13.1   | -15.0  | 50.8   | 12.7   | 3.2    | 22.5                                | (4.6)  | (21.2) | 11.1   | (6.5)  | 17.6   |
| Services   | 43.0                          | 21.3   | -5.8   | 78.7   | -2.0   | 1.5    | 30.2                                | 2.3    | (12.6) | 73.3   | (9.4)  | (1.3)  |
| <b>GROSS DOMESTIC PRODUCT</b>                      | 18.3                          | 9.7    | 4.2    | 12.8   | 14.6   | 7.9    | 8.0                                 | 3.7    | 0.2    | 10.6   | 6.4    | 2.6    |

r/ - revised estimates

p/ - preliminary estimates



**Table 6. Percentage Contribution to GDP - Current Prices**

| Percentage Contribution (%)                         | 2007         | 2008         | 2009         | 2010         | 2011         | 2012         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Agriculture   | 14.9         | 17.1         | 17.0         | 16.8         | 17.0         | 15.9         |
| Forestry & logging                                  | 12.3         | 8.1          | 7.8          | 9.8          | 8.3          | 8.2          |
| Fishing   | 4.2          | 4.1          | 2.8          | 2.3          | 3.1          | 3.6          |
| Mining & Quarrying                                  | 0.1          | 0.2          | 0.5          | 0.6          | 4.0          | 2.4          |
| Manufacturing                                       | 6.9          | 7.0          | 7.7          | 8.0          | 7.9          | 8.9          |
| Electricity Water                                   | 0.8          | 1.2          | 1.2          | 2.0          | 1.9          | 1.6          |
| Construction  | 2.5          | 3.7          | 3.7          | 2.8          | 2.6          | 2.6          |
| Wholesale & Retail Trade                            | 15.8         | 16.5         | 16.2         | 15.6         | 15.6         | 15.7         |
| Hotels & Restaurants                                | 0.6          | 0.7          | 1.9          | 2.4          | 2.7          | 3.9          |
| Transportation & Storage                            | 5.2          | 5.7          | 5.5          | 5.8          | 5.5          | 5.3          |
| Communications                                      | 2.5          | 2.4          | 2.3          | 2.0          | 1.1          | 0.9          |
| Financial intermediation                            | 3.2          | 4.0          | 3.3          | 2.3          | 2.4          | 2.7          |
| Insurance Services                                  | 1.0          | 1.1          | 1.1          | 1.3          | 1.3          | 1.5          |
| Ownership of Owner-Occupied Dwellings               | 5.8          | 5.6          | 5.6          | 5.1          | 4.6          | 4.4          |
| Real Estate Services                                | 3.0          | 2.9          | 2.9          | 2.6          | 2.4          | 2.3          |
| Business Services                                   | 0.7          | 0.8          | 0.8          | 0.8          | 0.8          | 0.9          |
| Public Administration                               | 9.3          | 8.8          | 9.3          | 9.3          | 8.2          | 8.2          |
| Education Services                                  | 4.4          | 4.4          | 4.7          | 4.8          | 4.5          | 4.7          |
| Health Services                                     | 2.1          | 2.3          | 2.4          | 2.6          | 2.4          | 2.4          |
| Personal and Other Services                         | 4.1          | 3.9          | 3.7          | 3.5          | 3.3          | 3.3          |
| <b>GDP at factor cost</b>                           | <b>99.5</b>  | <b>100.3</b> | <b>100.4</b> | <b>100.3</b> | <b>99.6</b>  | <b>99.6</b>  |
| Taxes less subsidies                                | 2.4          | 2.5          | 2.5          | 2.2          | 2.8          | 3.1          |
| Less Bank Service Charge                            | -1.9         | -2.8         | -2.9         | -2.6         | -2.4         | -2.7         |
| <b>Gross Domestic Product</b>                       | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |
| <b>Expenditure on GDP</b>                           |              |              |              |              |              |              |
| Household Consumption                               | 60.4         | 61.9         | 60.0         | 58.8         | 54.2         | 55.2         |
| NGO Final Consumption                               | 4.4          | 4.2          | 3.7          | 3.7          | 3.2          | 3.2          |
| Government Final Consumption                        | 41.5         | 38.8         | 37.8         | 46.7         | 28.8         | 27.0         |
| Gross Fixed Capital Formation                       | 17.7         | 17.2         | 14.6         | 21.2         | 19.3         | 15.4         |
| Construction  | 6.1          | 6.8          | 6.4          | 11.7         | 6.8          | 6.3          |
| Machinery and equipment                             | 11.6         | 10.4         | 8.2          | 9.5          | 12.5         | 9.0          |
| Change in Inventories                               | 1.2          | 1.2          | 1.2          | 1.2          | 2.6          | 2.2          |
| Gross National Expenditure                          | 125.2        | 123.3        | 117.2        | 131.5        | 108.1        | 102.9        |
| plus Exports of goods and services                  | 41.6         | 45.3         | 37.0         | 47.8         | 64.0         | 65.1         |
| Goods   | 30.7         | 35.4         | 26.0         | 32.4         | 48.1         | 50.5         |
| Services  | 11.0         | 9.9          | 11.0         | 15.4         | 15.9         | 14.6         |
| less Imports of goods and services                  | 66.8         | 68.7         | 54.3         | 79.4         | 72.1         | 68.0         |
| Goods   | 48.8         | 49.2         | 37.7         | 52.2         | 49.7         | 47.1         |
| Services  | 18.0         | 19.5         | 16.6         | 27.2         | 22.5         | 20.9         |
| <b>Expenditure on GDP</b>                           | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |
| <b>Statistical discrepancy</b>                      | <b>9.5</b>   | <b>7.1</b>   | <b>0.7</b>   | <b>4.3</b>   | <b>0.8</b>   | <b>-0.1</b>  |
| <b>Total All Industries' Value Added</b>            | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |
| <i>of which:</i>                                    |              |              |              |              |              |              |
| <b>Formal Sector</b>                                | <b>44.2</b>  | <b>41.2</b>  | <b>39.0</b>  | <b>41.4</b>  | <b>44.8</b>  | <b>44.5</b>  |
| <b>General Government</b>                           | <b>24.4</b>  | <b>24.7</b>  | <b>26.5</b>  | <b>27.4</b>  | <b>25.3</b>  | <b>25.9</b>  |
| <b>Total Informal Sector</b>                        | <b>31.4</b>  | <b>34.2</b>  | <b>34.4</b>  | <b>31.1</b>  | <b>30.0</b>  | <b>29.6</b>  |
| <i>of which:</i>                                    |              |              |              |              |              |              |
| Agriculture - cash crops                            | 3.2          | 4.1          | 4.3          | 4.2          | 4.3          | 3.7          |
| - home consumption                                  | 10.2         | 10.8         | 11.4         | 10.3         | 9.6          | 9.5          |
| Forestry & Logging - monetary                       | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          |
| - nonmonetary                                       | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          |
| Fishing -monetary                                   | 1.1          | 1.3          | 0.9          | 0.8          | 1.2          | 1.4          |
| - home consumption                                  | 1.4          | 1.5          | 1.4          | 1.1          | 1.3          | 1.4          |
| Mining-alluvial gold production                     | 0.1          | 0.1          | 0.2          | 0.2          | 0.1          | 0.1          |
| Manufacturing - sawn timber, handicrafts, furniture | 0.3          | 0.3          | 0.2          | 0.2          | 0.2          | 0.2          |
| Construction -permanent structures                  | 0.7          | 1.9          | 1.9          | 1.2          | 1.1          | 1.4          |
| -traditional dwellings                              | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          |
| Wholesale and Retail Trade                          | 0.8          | 0.8          | 0.8          | 0.7          | 0.8          | 0.8          |
| Transport - Buses, taxis, OBM's, pickups            | 3.6          | 3.5          | 3.5          | 3.3          | 3.0          | 2.9          |
| Owner-occupied -permanent dwellings                 | 5.3          | 5.0          | 5.0          | 4.6          | 4.2          | 4.0          |
| - rural traditional houses                          | 0.5          | 0.5          | 0.5          | 0.5          | 0.4          | 0.4          |
| Real Estate Rental Activity                         | 1.8          | 1.7          | 1.7          | 1.6          | 1.5          | 1.4          |
| Other services                                      | 2.0          | 2.2          | 2.3          | 2.1          | 2.1          | 2.1          |

**Table 7: Manufacturing Value Added at Current and Constant 2004 Prices**

| MAJOR MANUFACTURING GROUPS          | Current Prices (SI\$ Millions) |              |              |              |              |              | Constant 2004 Prices (SI\$ Millions) |              |              |              |              |              |
|-------------------------------------|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                     | 2007r/                         | 2008r/       | 2009r/       | 2010p/       | 2011p/       | 2012p/       | 2007r/                               | 2008r/       | 2009r/       | 2010p/       | 2011p/       | 2012p/       |
| Food manufacturing                  | 120.1                          | 133.0        | 154.1        | 180.2        | 204.2        | 249.1        | 163.2                                | 159.9        | 157.4        | 175.0        | 173.8        | 178.4        |
| Beverages & tobacco manufacturing   | 67.5                           | 74.8         | 86.6         | 101.2        | 114.7        | 137.1        | 100.0                                | 105.6        | 107.5        | 106.7        | 97.2         | 99.7         |
| Wood products manufacturing         | 15.0                           | 16.6         | 19.2         | 22.5         | 25.5         | 32.5         | 23.2                                 | 24.4         | 23.4         | 26.1         | 23.8         | 24.8         |
| Printing and publishing             | 11.6                           | 12.9         | 14.9         | 17.4         | 19.8         | 38.9         | 20.0                                 | 23.0         | 24.9         | 27.6         | 28.9         | 29.7         |
| Chemicals and rubber manufacturing  | 11.8                           | 13.0         | 15.1         | 17.7         | 20.0         | 11.6         | 18.3                                 | 16.1         | 17.6         | 18.3         | 15.2         | 15.1         |
| Non-metallic products manufacturing | 4.9                            | 5.4          | 6.3          | 7.3          | 8.3          | 10.5         | 7.1                                  | 7.1          | 6.9          | 7.7          | 7.1          | 7.1          |
| Metallic products manufacturing     | 11.0                           | 12.2         | 14.2         | 16.6         | 18.8         | 23.0         | 11.0                                 | 13.6         | 14.7         | 16.3         | 17.0         | 17.0         |
| Other manufacturing                 | 68.3                           | 75.7         | 87.6         | 102.5        | 116.1        | 139.0        | 96.0                                 | 98.3         | 99.1         | 106.8        | 102.0        | 104.3        |
| <b>Total manufacturing</b>          | <b>310.1</b>                   | <b>343.6</b> | <b>398.0</b> | <b>465.4</b> | <b>527.3</b> | <b>641.5</b> | <b>438.9</b>                         | <b>448.0</b> | <b>451.5</b> | <b>484.6</b> | <b>465.1</b> | <b>476.0</b> |

r/ - revised estimates

p/ - preliminary estimates

**Table 8: Household Final Consumption Expenditure by Major Expenditure Group**

| MAJOR EXPENDITURE GROUP                                  | Current Prices (SI\$ Millions) |                |                |                |                |                | Constant 2004 Prices (SI\$ Millions) |                |                |                |                |                |
|--|--------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
|  | 2007r/                         | 2008r/         | 2009r/         | 2010p/         | 2011p/         | 2012p/         | 2007r/                               | 2008r/         | 2009r/         | 2010p/         | 2011p/         | 2012p/         |
| Food   | 1,341.3                        | 1,584.1        | 1,728.9        | 1,764.2        | 1,935.5        | 2,187.0        | 1,130.6                              | 1,111.7        | 1,123.1        | 1,167.4        | 1,221.8        | 1,315.0        |
| Beverages and tobacco                                    | 61.4                           | 68.5           | 74.5           | 85.3           | 100.2          | 106.7          | 55.1                                 | 56.4           | 57.7           | 59.1           | 60.5           | 61.9           |
| Clothing and footwear                                    | 39.6                           | 40.7           | 44.8           | 50.1           | 51.6           | 53.7           | 33.2                                 | 34.0           | 34.8           | 35.6           | 36.4           | 37.3           |
| Housing, water, electricity, gas and fuels               | 448.7                          | 473.6          | 493.2          | 514.6          | 536.5          | 568.0          | 424.3                                | 440.1          | 456.6          | 473.7          | 491.4          | 509.8          |
| Furnishings, household equipment and routine maintenance | 78.8                           | 94.6           | 108.5          | 117.8          | 128.2          | 135.0          | 64.4                                 | 66.6           | 68.9           | 71.3           | 73.7           | 76.3           |
| Health   | 51.6                           | 53.4           | 54.8           | 56.3           | 57.4           | 83.0           | 39.8                                 | 40.7           | 41.7           | 42.7           | 43.7           | 44.7           |
| Transport  | 267.3                          | 326.9          | 350.0          | 455.9          | 538.0          | 581.5          | 208.7                                | 223.6          | 228.9          | 284.3          | 320.9          | 348.5          |
| Leisure, entertainment and culture                       | 20.6                           | 21.1           | 21.6           | 22.3           | 23.3           | 25.6           | 14.4                                 | 14.7           | 15.1           | 15.4           | 15.8           | 16.2           |
| Education  | 92.1                           | 98.8           | 89.9           | 102.4          | 98.9           | 112.1          | 80.7                                 | 82.6           | 84.5           | 86.5           | 88.6           | 90.6           |
| Hotels, cafes and restaurants                            | 21.4                           | 26.6           | 30.2           | 30.2           | 32.3           | 34.4           | 17.8                                 | 18.3           | 18.7           | 19.2           | 19.7           | 20.2           |
| Miscellaneous goods and services                         | 59.9                           | 67.3           | 68.9           | 73.3           | 72.0           | 76.9           | 46.1                                 | 47.2           | 48.2           | 49.3           | 50.4           | 51.6           |
| <b>Total HFCE</b>  | <b>2,482.8</b>                 | <b>2,855.6</b> | <b>3,065.2</b> | <b>3,272.6</b> | <b>3,573.8</b> | <b>3,963.8</b> | <b>2,115.1</b>                       | <b>2,135.9</b> | <b>2,178.2</b> | <b>2,304.4</b> | <b>2,422.9</b> | <b>2,572.0</b> |

**Table 9. Revisions to Levels of Gross Domestic Product (GDP) by Economic Activity  
- Current and Constant Price Values (SI\$ millions)**

| Industry                                     | Current Prices (SI\$ Millions) |              |              | Constant 2004 Prices (SI\$ Millions) |                |               |
|--|--------------------------------|--------------|--------------|--------------------------------------|----------------|---------------|
|  | 2007r/                         | 2008r/       | 2009r/       | 2007r/                               | 2008r/         | 2009r/        |
| <b>AGRICULTURE, FISHERIES &amp; FORESTRY</b> | <b>360.0</b>                   | <b>92.8</b>  | <b>12.5</b>  | <b>117.3</b>                         | <b>(23.5)</b>  | <b>68.2</b>   |
| Agriculture & Hunting                        | 39.5                           | 7.9          | (28.8)       | 47.9                                 | 32.2           | 27.7          |
| Forestry & Logging                           | 306.8                          | 26.7         | 49.7         | 72.8                                 | (46.6)         | 74.1          |
| Fishing                                      | 13.7                           | 58.1         | (8.4)        | (3.5)                                | (9.1)          | (33.6)        |
| <b>INDUSTRY</b>                              | <b>98.6</b>                    | <b>97.4</b>  | <b>179.9</b> | <b>295.0</b>                         | <b>364.8</b>   | <b>355.4</b>  |
| Mining & Quarrying                           | (7.0)                          | (20.1)       | (12.7)       | (4.8)                                | (6.4)          | 1.0           |
| Manufacturing                                | 80.0                           | 60.6         | 117.9        | 262.2                                | 258.4          | 274.8         |
| Electricity & Water                          | (10.5)                         | (20.6)       | (9.7)        | (10.8)                               | 40.3           | 7.8           |
| Construction                                 | 36.1                           | 77.5         | 84.5         | 48.4                                 | 72.5           | 71.8          |
| <b>SERVICES</b>                              | <b>91.7</b>                    | <b>73.6</b>  | <b>186.0</b> | <b>(83.2)</b>                        | <b>(121.3)</b> | <b>(19.3)</b> |
| Trade  | 322.6                          | 409.8        | 412.1        | 60.5                                 | 65.4           | 79.2          |
| Hotel & Restaurants                          | (44.4)                         | (42.3)       | 21.9         | (9.8)                                | (14.5)         | 3.7           |
| Transport & Storage                          | (12.9)                         | (14.3)       | (1.9)        | 15.6                                 | 17.5           | 26.7          |
| Communications                               | (3.3)                          | (7.8)        | (1.4)        | -                                    | (3.5)          | 1.8           |
| Financial Intermediation                     | -                              | -            | -            | -                                    | -              | -             |
| Insurance Services                           | -                              | -            | -            | -                                    | -              | -             |
| Real Estate & Renting                        | -                              | -            | -            | -                                    | -              | -             |
| Owner Occupied Dwellings                     | -                              | -            | -            | -                                    | -              | -             |
| Business Services                            | 2.7                            | 3.6          | 5.5          | 2.1                                  | 2.5            | 3.5           |
| Public Administration & Defense              | (169.2)                        | (243.3)      | (206.1)      | (126.1)                              | (170.7)        | (112.1)       |
| Education                                    | (6.6)                          | (25.4)       | (30.6)       | (12.6)                               | (14.9)         | (12.9)        |
| Health                                       | 2.9                            | (6.6)        | (13.5)       | (13.0)                               | (3.0)          | (9.1)         |
| Other Services                               | -                              | -            | -            | -                                    | -              | -             |
| Taxes on Products less Subsidies             | -                              | 1.3          | (6.6)        | (3.5)                                | 1.4            | (1.4)         |
| Less Imputed Bank Charges                    | -                              | (41.4)       | (43.3)       | -                                    | -              | -             |
| <b>GROSS DOMESTIC PRODUCT (GDP)</b>          | <b>550.3</b>                   | <b>223.7</b> | <b>328.6</b> | <b>325.5</b>                         | <b>221.4</b>   | <b>402.9</b>  |
| <b>GDP Excluding Development Budget</b>      | <b>740.0</b>                   | <b>469.6</b> | <b>523.8</b> | <b>477.2</b>                         | <b>410.1</b>   | <b>527.1</b>  |

**Table 10. Revisions to Levels of Gross Domestic Product (GDP) by Expenditure Share  
- Current and Constant Price Values (SI\$ millions)**

| Expenditure  | Current Prices (SI\$ Millions) |               |                | Constant 2004 Prices (SI\$ Millions) |                |                |
|--|--------------------------------|---------------|----------------|--------------------------------------|----------------|----------------|
|  | 2007r/                         | 2008r/        | 2009r/         | 2007r/                               | 2008r/         | 2009r/         |
| <b>Final Consumption Expenditure</b>               | <b>196.4</b>                   | <b>71.2</b>   | <b>336.2</b>   | <b>500.8</b>                         | <b>433.7</b>   | <b>403.2</b>   |
| Household Final Consumption Expenditure            | 125.3                          | 114.9         | 280.4          | 100.5                                | 70.5           | 154.0          |
| Private Non Profit Institutions Serving Households | -                              | -             | -              | -                                    | -              | -              |
| Government Consumption Expenditure                 | 71.1                           | (43.7)        | 55.8           | 400.3                                | 363.3          | 249.2          |
| <b>Gross Fixed Capital Formation</b>               | <b>20.0</b>                    | <b>(72.2)</b> | <b>(127.7)</b> | <b>17.8</b>                          | <b>(68.8)</b>  | <b>(90.7)</b>  |
| Durable Equipment                                  | -                              | (71.2)        | (139.1)        | -                                    | (68.0)         | (99.7)         |
| Construction                                       | 20.0                           | (1.0)         | 11.4           | 17.8                                 | (0.8)          | 9.0            |
| <b>Change in Inventories</b>                       | <b>0.3</b>                     | <b>0.5</b>    | <b>3.2</b>     | <b>21.7</b>                          | <b>23.0</b>    | <b>25.8</b>    |
| <b>Exports of Goods and Services</b>               | <b>-</b>                       | <b>-</b>      | <b>-</b>       | <b>1.4</b>                           | <b>(222.9)</b> | <b>(132.6)</b> |
| Merchandise, f.o.b.                                | -                              | -             | -              | 1.4                                  | (222.9)        | (132.6)        |
| Services   | -                              | -             | -              | -                                    | -              | -              |
| <b>Less: Imports of Goods and Services</b>         | <b>-</b>                       | <b>-</b>      | <b>-</b>       | <b>19.1</b>                          | <b>35.2</b>    | <b>(19.5)</b>  |
| Merchandise, f.o.b.                                | -                              | -             | -              | 13.9                                 | 25.2           | (13.5)         |
| Services   | -                              | -             | -              | 5.1                                  | 10.0           | (5.9)          |
| <i>Balance on External Goods and Services</i>      | -                              | -             | -              | (17.6)                               | (258.1)        | (113.2)        |
| Statistical Discrepancy                            | 333.6                          | 224.1         | 117.0          | (197.2)                              | 91.6           | 177.9          |
| <b>GROSS DOMESTIC PRODUCT</b>                      | <b>550.3</b>                   | <b>223.7</b>  | <b>328.6</b>   | <b>325.5</b>                         | <b>221.4</b>   | <b>402.9</b>   |

## **APPENDIX 1. METHODOLOGY, DATA SOURCES AND CHALLENGES**

A summary of the main methodological issues, data sources and limitations as well as short-medium term challenges are discussed. Additional details of the compilation history of the GDP estimates by production and expenditure approaches can be obtained from previous editions (Bulletin 13/2007; Bulletin 16/2008; Bulletin 02/2011 (including Erratum) and Bulletin 08/2011).

### **I. GDP BY PRODUCTION**

There was no significant change in methodology applied apart from some improvements in compilation, revision to certain deflators used and treatment of certain data and assumptions. The compilation of the GDP estimates follow practices recommended in the 1993 System of National Accounts (SNA). Recommendations in the 2008 SNA cannot be implemented fully due to data limitations, except for the treatment of cases such as units undertaking ancillary activities within enterprises.

The SISO conducts an annual business (enterprise) survey to support the compilation of national accounts estimates. Extrapolation and interpolation techniques were applied to the missing and inconsistent data that enhanced the compilation process and calculations of various GDP related measures for selected businesses by respective industries.

The GDP or Gross Value Added (GVA) by economic activity is generally calculated as the difference between Gross Value of Output (GVO) and Intermediate Consumption (IC) at both current and constant prices. There are some specific cases where GVA was derived by the sum of costs approach. The GVO at constant 2004 prices was mainly derived by extrapolating the 2004 GVO by appropriate volume indicators. The IC at constant 2004 prices was mainly estimated by applying the ratio of IC/GVO in 2004 to GVO at constant price in the current year.

The data from the business survey incorporated in the GDP compilation were finalized for six industries namely: hotels and restaurants, electricity and water, manufacturing, agriculture, mining and quarry, wholesale and retail, and manufacturing. Data for forestry and logging were used only for GVO and IC after 2006 following previous methodology. The consumption of fixed capital for the forestry and logging industry was extrapolated using the GDP implicit price deflator. The taxes less subsidies on production data was sourced from the government finance statistics (GFS). Compilation of data for other industries followed similar approaches as in previous publications.

A number of revisions to the deflators have also been incorporated such as: (a) in the manufacturing industry where a previously derived composite index for chemicals and rubber was revised. Constant prices were therefore calculated from current business survey data using relevant subsets of the CPI corresponding to the type of manufactured products. In addition, updated employment data from the NPF have been used to compile estimates of compensation of employees in constant prices. This update has also improved estimates for the net operating surplus; (b) business survey data for the generation and distribution of electricity has been used to calculate current estimates of GVO, IC and primary income components. The constant values of IC have been derived using the CPI for fuel instead of using proportions of IC to GVO from previous years as was the case in the recent past. However, since the fuel and diesel are price-controlled items, and that the scheme fixes both the trade margin ratio and the retail price, the contract prices between the company distributing fuel and diesel, and the company generating the electricity were initially applied as a price deflator for the IC. In the case for SIEA, this resulted in highly inconsistent IC and thus a composite price index comprising fuel used by SIEA and electricity used by SIWA was applied; (c) the volume indicator applied in the

formal sector of the fishing industry was revised from the population growth rate to changes in fish catch. This was based on the assumption that OBM Fisherman also faced similar weather conditions that affect fish catch by fishing companies and thus both their GVOs should, generally, move in similar direction and rate. This assumption is subject to future revision.

## **II. GDP BY EXPENDITURE**

There was no major variation apart from some improvements made to the methodology used in calculating GDP by expenditure. Methods and techniques applied followed from those applied in the previous edition (Statistical Bulletin 8/2011).

Government recurrent budget revenue and expenditure estimates were updated with new actual data compiled in accordance with Government Finance Statistics (GFS) format. The GFS data benefited from improvements in compilation, conceptualization and classification issues with recent technical assistance provided to the SISO by the Australian Bureau of Statistics (ABS). Provincial government expenditures have also been reconciled with those of general government.

Detailed access to the development budget data for non-cash aid provided by donors is still a major issue. Despite repeated efforts from the SISO to obtain a break up of data for projects funded by items such as compensation of employees, capital formation and intermediate consumption was not possible. Hence, data provided by donors, and the RAMSI PPF were used as indicators to extrapolate previous estimates. This setback continues to pose challenges for the quality of data from the development budget as also noted previously.

Among other revisions to deflators applied, the derivation of IC estimates for the general government sector applied a composite price index comprising transport, communications and rents calculated from the subset components of the CPI was applied.

## **III. DATA SOURCES**

Similar to the previous bulletin, the main data sources used in the compilation of GDP at current and constant 2004 prices are:

- Business Surveys (SISO),
- Non-Profit Institutions Survey (SISO)
- Trade Statistics (SISO/Customs)
- Balance of Payments (CBSI)
- National Provident Fund Employment Data (SINPF)
- Government Finance (Finance and Treasury/National Planning Dept)
- Annual and Quarterly Economic Review (CBSI)
- Household Income and Expenditure Survey 2005/6 (SISO)
- Census Population Growth Rates (SISO)
- Consumer Price Index (SISO)
- Selected Volume and Price indexes (Various sources/SISO)

- Imports and Export Price indexes of major commodities (Various sources/SISO)

#### **IV Short-Medium Term Challenges**

On-going updates and revisions to the GDP series will continue to be made in future publications depending on forthcoming new data and from improved data sources such as the proposed Household Income and Expenditure Survey for 2012/2013. A number of challenges that the SISO will consider include the following:

- The quality of current GDP estimates depends on the quality/reliability of source data from other organizations and sources. The SISO plans to address this issue across ministries and provincial governments through the proposed National Statistical Development Strategy (NSDS).
- The current limited range of price and volume deflators also impacts on the quality of the GDP estimates. The SISO plans to improve and explore alternative measures.
- Obtain more detailed and up-to-date version of development budget data.
- Improve the quality and response rate of the Annual Business and Employment Surveys.
- The constant price estimates of national accounts series are based on the 2004 base year and should be rebased to reflect recent changes in prices and economic situation. The completion of the HIES 2012-2013 will enable the rebase the CPI and derive new benchmarks for HFCE estimates. The SISO should start planning for the rebase of its constant price estimates of national accounts statistics incorporating the new benchmarks.
- Strengthen collaboration with other key stakeholders on national accounts, and through strategies such as the proposed NSDS.