



**Solomon Islands Government**

**Statistical Bulletin: 5/2020**

**GROSS DOMESTIC PRODUCT  
2003 – 2017**

**(Rebasing to 2012 base year)**

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## OVERVIEW

This statistical bulletin (5/2020) presents the provisional Gross Domestic Product (GDP) estimates from 2003-2017 based on a new 2012 base year. This outcome is the result of the rebasing of benchmark estimates from the pre-rebase period estimates based on the 2004 base year to the 2012 base year.

The overall rebasing exercise has resulted in a significant change in the structure and size of the Solomon Islands economy over a decade from the previous estimates based on the 2004 base year. The change to the new base year reflect the updated levels of sectoral production and related components of GDP, including corresponding annual growth rates especially from years after the new base period.

With significant revaluations to GDP, the provisional 2017 GDP estimate at constant 2012 prices was valued at SBD\$10.5 billion, an increase of SBD\$535 million in 2016. This represented a growth rate of 5.3 percent, down 0.5 percentage points from the previous year's growth of 5.9 percent. In nominal terms, GDP in 2016 increased from SBD\$8.7 billion to SBD\$11.0 billion with an additional SBD\$666 million in 2017. GDP levels from the new base of 2012 are about a third or 30% higher based on the new information.

It should be noted that the sudden upward adjustment in GDP does not necessarily change the development outlook (e.g., poverty, employment etc.) of the country but instead showed that prior to rebasing, the GDP-national accounts system relied on outdated figures that no longer accurately reflect the composition and size of the economy. The GDP compilation system has been drastically enhanced where specific updates to system had been reviewed resulting in overall improvements to methodologies, concepts, data sources and revisions to benchmark estimates. On-going development work will continue to enable the system to be more robust in absorbing and reflecting current and future changes in the country's economic growth, and in informing policy formulation and decision making. Rebasing is a normal statistical practise as recommended by the United Nations to be undertaken periodically to ensure that GDP-national accounts statistics continue to show a more accurate economic picture of the country.

Further information on rebasing and implications on revised estimates are discussed in ANNEX I-II.

As in previous publications, users of the GDP information should note that whilst other government ministries and agencies such as the Ministry of Finance and Treasury (MOFT), and the Central Bank of Solomon Islands (CBSI) also compile key GDP aggregates on a more frequent basis for their own internal use such as for forecasting purposes and for monetary policy, SINSO remains 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 SINSO coordinates with these agencies and other stakeholders with respect to data and statistical requirements.

Estimates presented in this bulletin are likely to be revised in forthcoming releases as improvement work continues. The SINSO acknowledges the technical support provided by IMF-Pacific Financial Technical Assistance Centre (PFTAC) and the internal statistics advisory support.

**Symbols**, where applicable:

- 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														
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p
GDP in SI\$ million	3,150.4	3,520.1	4,183.6	4,720.1	5,346.5	6,044.6	6,520.7	7,278.6	8,169.5	8,760.4	9,381.5	9,850.3	10,345.2	10,956.9	11,703.3
Growth Rate in Percent (%)		11.7	18.8	12.8	13.3	13.1	7.9	11.6	12.2	7.2	7.1	5.0	5.0	5.9	6.8
Per Capita GDP in SI\$	6,887.7	7,460.0	8,594.4	9,399.2	10,320.3	11,310.0	11,826.9	12,796.7	13,922.8	14,472.1	15,023.0	15,290.3	15,566.1	15,981.2	16,546.5
Growth Rate in Percent (%)		8.3	15.2	9.4	9.8	9.6	4.6	8.2	8.8	3.9	3.8	1.8	1.8	2.7	3.5
GDP in US\$ million	419.7	470.3	555.5	620.3	698.9	779.9	810.0	903.0	1,069.3	1,190.3	1,285.1	1,335.5	1,306.9	1,378.2	1,483.3
Growth Rate in Percent (%)		12.1	18.1	11.7	12.7	11.6	3.9	11.5	18.4	11.3	8.0	3.9	(2.1)	5.5	7.6
Per Capita GDP in US\$	917.6	996.7	1,141.2	1,235.2	1,349.1	1,459.4	1,469.2	1,587.7	1,822.4	1,966.3	2,058.0	2,073.0	1,966.5	2,010.2	2,097.1
Growth Rate in Percent (%)		8.6	14.5	8.2	9.2	8.2	0.7	8.1	14.8	7.9	4.7	0.73	(5.1)	2.2	4.3
Hhold Final Consump. Expend (HFCE, SI\$ mill)	1,928.8	2,172.1	2,481.8	2,805.0	3,111.0	3,709.1	3,973.9	4,483.9	4,850.8	5,225.0	5,540.6	6,009.5	6,146.8	6,545.0	6,581.9
Per Capita HFCE in SI\$	4,216.9	4,603.2	5,098.5	5,585.8	6,005.2	6,940.1	7,207.6	7,883.3	8,267.0	8,631.7	8,872.5	9,328.3	9,249.0	9,546.2	9,305.7
Monthly Per Capita HFCE in SI\$	351.4	383.6	424.9	465.5	500.4	578.3	600.6	656.9	688.9	719.3	739.4	777.4	770.8	795.5	775.5
GDP excluding Development Budget	3,150.4	3,449.6	3,946.8	4,491.9	5,112.4	5,834.5	6,287.7	7,024.5	7,948.5	8,534.9	9,060.9	9,546.0	10,043.5	10,656.5	11,404.0
Growth Rate in Percent (%)		9.5	14.4	13.8	13.8	14.1	7.8	11.7	13.2	7.4	6.2	5.4	5.2	6.1	7.0
Population (annual average)	457,395	471,860	486,783	502,178	518,060	534,444	551,346	568,783	586,771	605,328	624,472	644,222	664,596	685,614	707,297
Official exchange rate (SI\$/US\$)	7.51	7.48	7.53	7.61	7.65	7.75	8.05	8.06	7.64	7.36	7.30	7.38	7.92	7.95	7.89

p/ - preliminary estimates

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

Selected Aggregates	Constant 2012 Prices														
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p
GDP in SI\$ million	5,326.1	5,735.3	6,157.4	6,412.1	6,645.5	7,059.3	7,261.5	7,966.5	8,558.4	8,760.4	9,227.5	9,324.3	9,456.5	10,011.9	10,547.2
Growth Rate in Percent (%)		7.7	7.4	4.1	3.6	6.2	2.9	9.7	7.4	2.4	5.3	1.0	1.4	5.9	5.3
Per Capita GDP in SI\$	11,644.4	12,154.7	12,649.1	12,768.6	12,827.7	13,208.6	13,170.5	14,006.1	14,585.5	14,472.1	14,776.4	14,473.8	14,228.9	14,602.8	14,911.9
Growth Rate in Percent (%)		4.4	4.1	0.9	0.5	3.0	(0.3)	6.3	4.1	(0.8)	2.1	(2.0)	(1.7)	2.6	2.1
GDP in US\$ million	709.6	766.3	817.6	842.7	868.7	910.9	902.0	988.4	1,120.2	1,190.3	1,264.0	1,264.2	1,194.7	1,259.4	1,336.8
Growth Rate in Percent (%)		8.0	6.7	3.1	3.1	4.9	(1.0)	9.6	13.3	6.3	6.2	0.01	(5.5)	5.4	6.1
Per Capita GDP in US\$	1,551.4	1,623.9	1,679.7	1,678.0	1,676.8	1,704.3	1,636.1	1,737.7	1,909.1	1,966.3	2,024.2	1,962.3	1,797.6	1,836.8	1,890.0
Growth Rate in Percent (%)		4.7	3.4	(0.1)	(0.1)	1.6	(4.0)	6.2	9.9	3.0	2.9	(3.1)	(8.4)	2.2	2.9
Hhold Final Consump. Expend (HFCE, SI\$ mill)	3,338.2	3,553.9	3,884.6	4,046.0	4,367.3	4,549.1	4,478.0	4,868.5	5,070.4	5,225.0	5,417.7	5,583.2	5,720.1	5,922.2	5,924.9
Per Capita HFCE in SI\$	7,298.4	7,531.6	7,980.2	8,056.9	8,430.0	8,511.8	8,121.9	8,559.6	8,641.1	8,631.7	8,675.7	8,666.6	8,606.8	8,637.8	8,376.8
Monthly Per Capita HFCE in SI\$	608.2	627.6	665.0	671.4	702.5	709.3	676.8	713.3	720.1	719.3	723.0	722.2	717.2	719.8	698.1
GDP excluding Development Budget	5,298.5	5,613.7	5,718.9	6,026.5	6,280.6	6,751.6	6,982.3	7,665.4	8,324.9	8,534.9	8,906.8	9,020.0	9,154.8	9,711.4	10,247.9
Growth Rate in Percent (%)		5.9	1.9	5.4	4.2	7.5	3.4	9.8	8.6	2.5	4.4	1.3	1.5	6.1	5.5



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

Expenditure	Current Prices (SIS Millions)															Constant 2012 Prices (SIS Millions)														
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p
<b>Final Consumption Expenditure</b>	<b>2,587.3</b>	<b>3,036.6</b>	<b>4,097.1</b>	<b>4,546.5</b>	<b>4,957.5</b>	<b>5,733.0</b>	<b>6,145.8</b>	<b>6,974.3</b>	<b>7,065.9</b>	<b>7,695.9</b>	<b>8,675.2</b>	<b>9,298.0</b>	<b>9,513.9</b>	<b>10,094.7</b>	<b>10,381.3</b>	<b>4,707.2</b>	<b>5,301.3</b>	<b>6,883.6</b>	<b>7,060.0</b>	<b>7,325.5</b>	<b>7,453.7</b>	<b>7,387.0</b>	<b>8,052.3</b>	<b>7,754.5</b>	<b>7,695.9</b>	<b>8,502.7</b>	<b>8,764.0</b>	<b>9,042.6</b>	<b>9,380.5</b>	<b>9,537.1</b>
Household Final Consumption Expenditure	1,928.8	2,172.1	2,481.8	2,805.0	3,111.0	3,709.1	3,973.9	4,483.9	4,850.8	5,225.0	5,540.6	6,009.5	6,146.8	6,545.0	6,581.9	3,338.2	3,553.9	3,884.6	4,046.0	4,367.3	4,549.1	4,478.0	4,868.5	5,070.4	5,225.0	5,417.7	5,583.2	5,720.1	5,922.2	5,924.9
Private Non Profit Institutions Serving Households	133.9	135.5	153.3	173.2	180.8	193.8	187.3	205.6	218.5	249.1	265.0	282.3	306.5	360.9	372.0	212.2	200.6	206.1	211.7	217.5	223.5	229.6	236.0	242.4	249.1	255.7	262.5	262.0	269.5	270.9
Government Consumption Expenditure	524.6	729.0	1,461.9	1,568.2	1,665.7	1,830.1	1,984.7	2,284.8	1,996.5	2,221.7	2,869.5	3,006.2	3,060.5	3,188.8	3,427.4	1,156.8	1,546.9	2,792.9	2,802.3	2,740.7	2,681.1	2,679.4	2,947.8	2,441.6	2,221.7	2,829.3	2,918.4	3,060.5	3,188.8	3,341.4
<b>Gross Fixed Capital Formation</b>	<b>283.3</b>	<b>347.5</b>	<b>524.7</b>	<b>547.0</b>	<b>697.0</b>	<b>804.7</b>	<b>830.0</b>	<b>1,299.7</b>	<b>1,221.0</b>	<b>1,395.2</b>	<b>1,464.7</b>	<b>1,371.5</b>	<b>1,653.5</b>	<b>1,743.0</b>	<b>1,992.0</b>	<b>527.4</b>	<b>607.7</b>	<b>1,038.9</b>	<b>1,049.3</b>	<b>1,207.3</b>	<b>1,256.1</b>	<b>1,220.5</b>	<b>2,259.9</b>	<b>1,330.6</b>	<b>1,395.2</b>	<b>1,358.3</b>	<b>1,267.9</b>	<b>1,520.5</b>	<b>1,595.6</b>	<b>1,809.5</b>
Durable Equipment	122.4	194.2	339.0	352.1	501.8	512.8	425.2	916.8	699.6	596.7	804.7	640.5	792.9	787.4	1,030.1	199.2	295.6	506.8	461.6	601.9	544.0	352.5	703.2	590.1	596.7	704.8	560.8	691.3	680.3	887.3
Construction	160.8	153.2	185.7	194.9	195.3	291.9	404.8	382.9	521.4	798.5	660.0	731.0	860.6	955.6	961.8	328.2	312.1	532.1	587.7	605.4	712.0	868.0	1,556.7	740.6	798.5	653.5	707.1	829.1	915.2	922.2
<b>Change in Inventories</b>	-	-	-	-	-	-	-	-	-	(120.9)	(89.4)	(126.7)	(2.9)	144.7	151.9	-	-	-	-	-	-	-	-	-	(121)	(126)	(119)	(116)	(122)	(132)
<b>Exports of Goods and Services</b>	<b>689.7</b>	<b>871.5</b>	<b>1,136.5</b>	<b>1,271.2</b>	<b>1,710.4</b>	<b>2,089.1</b>	<b>1,891.9</b>	<b>2,546.0</b>	<b>4,077.1</b>	<b>4,351.0</b>	<b>4,313.0</b>	<b>4,170.3</b>	<b>4,178.0</b>	<b>4,356.0</b>	<b>4,484.0</b>	<b>1,755.0</b>	<b>1,859.1</b>	<b>2,032.3</b>	<b>2,065.0</b>	<b>2,401.1</b>	<b>2,648.6</b>	<b>2,177.6</b>	<b>2,890.2</b>	<b>3,817.1</b>	<b>4,351.0</b>	<b>4,126.1</b>	<b>3,659.4</b>	<b>3,422.8</b>	<b>3,789.1</b>	<b>3,984.8</b>
Merchandise, f.o.b.	500.1	641.0	753.1	867.7	1,259.2	1,631.4	1,328.6	1,804.0	3,184.1	3,475.0	3,402.0	3,340.3	3,330.0	3,435.0	3,434.0	1,486.0	1,500.0	1,588.6	1,551.8	1,840.9	2,119.4	1,546.1	1,945.6	2,862.8	3,475.0	3,266.8	2,883.2	2,671.8	2,979.2	3,054.3
Services	189.6	230.5	383.3	403.5	451.2	457.6	563.3	742.0	893.0	876.0	911.0	830.0	848.0	921.0	1,050.0	269.1	359.1	443.7	513.2	560.2	529.2	631.5	944.6	954.3	876.0	859.4	776.2	751.0	809.9	930.5
<b>Less: Imports of Goods and Services</b>	<b>1,064.6</b>	<b>1,328.7</b>	<b>1,635.0</b>	<b>2,006.8</b>	<b>2,745.3</b>	<b>3,165.2</b>	<b>2,772.6</b>	<b>4,418.0</b>	<b>4,641.6</b>	<b>4,787.0</b>	<b>5,040.0</b>	<b>5,035.2</b>	<b>4,951.0</b>	<b>5,024.0</b>	<b>5,045.0</b>	<b>1,812.0</b>	<b>2,367.7</b>	<b>2,706.7</b>	<b>3,383.8</b>	<b>4,335.4</b>	<b>4,020.0</b>	<b>3,312.6</b>	<b>5,042.8</b>	<b>4,693.1</b>	<b>4,787.0</b>	<b>4,816.6</b>	<b>4,715.2</b>	<b>4,751.8</b>	<b>4,947.4</b>	<b>4,802.7</b>
Merchandise, f.o.b.	676.6	1,019.5	1,184.6	1,489.3	2,004.9	2,267.1	1,926.6	2,906.0	3,219.6	3,193.0	3,392.0	3,387.2	3,465.0	3,377.0	3,332.0	1,535.0	2,010.5	2,170.9	2,469.2	3,110.9	2,826.4	2,256.5	3,173.4	3,114.4	3,193.0	3,241.7	3,172.0	3,325.6	3,325.5	3,172.0
Services	388.0	309.1	450.3	517.6	740.4	898.1	846.0	1,512.0	1,422.0	1,594.0	1,648.0	1,648.0	1,486.0	1,647.0	1,713.0	277.0	357.2	535.9	914.6	1,224.5	1,193.5	1,056.2	1,869.3	1,578.7	1,594.0	1,575.0	1,543.3	1,426.2	1,621.9	1,630.7
<i>Balance on External Goods and Services</i>	<i>(374.9)</i>	<i>(457.1)</i>	<i>(498.5)</i>	<i>(735.7)</i>	<i>(1,034.9)</i>	<i>(1,076.1)</i>	<i>(880.7)</i>	<i>(1,872.0)</i>	<i>(564.5)</i>	<i>(436.0)</i>	<i>(727.0)</i>	<i>(864.9)</i>	<i>(773.0)</i>	<i>(668.0)</i>	<i>(561.0)</i>	<i>(57.0)</i>	<i>(508.6)</i>	<i>(674.4)</i>	<i>(1,318.9)</i>	<i>(1,934.3)</i>	<i>(1,371.4)</i>	<i>(1,135.0)</i>	<i>(2,152.6)</i>	<i>(876.0)</i>	<i>(436.0)</i>	<i>(690.5)</i>	<i>(1,055.8)</i>	<i>(1,329.0)</i>	<i>(1,158.3)</i>	<i>(817.9)</i>
Statistical Discrepancy	654.8	593.2	60.4	362.3	726.9	583.0	425.5	876.6	447.1	226	58	172	(46)	(357)	(261)	148.4	334.9	(1,090.7)	(378.4)	47.0	(279.2)	(211.0)	(193.1)	349.3	226.2	183.0	467.0	338.4	316.0	150.6
<b>GROSS DOMESTIC PRODUCT</b>	<b>3,150.4</b>	<b>3,520.1</b>	<b>4,183.6</b>	<b>4,720.1</b>	<b>5,346.5</b>	<b>6,044.6</b>	<b>6,520.7</b>	<b>7,278.6</b>	<b>8,169.5</b>	<b>8,760.4</b>	<b>9,381.5</b>	<b>9,850.3</b>	<b>10,345.2</b>	<b>10,956.9</b>	<b>11,703.3</b>	<b>5,326.1</b>	<b>5,735.3</b>	<b>6,157.4</b>	<b>6,412.1</b>	<b>6,645.5</b>	<b>7,059.3</b>	<b>7,261.5</b>	<b>7,966.5</b>	<b>8,558.4</b>	<b>8,760.4</b>	<b>9,227.5</b>	<b>9,324.3</b>	<b>9,456.5</b>	<b>10,011.9</b>	<b>10,547.2</b>

p/ - preliminary estimates; \* GDP series are non-additive prior to 2012.

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

Economic Activity	Current Prices															Constant 2012 Prices														
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016/p	2017/p	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016/p	2017/p		
<b>AGRICULTURE, FISHERIES &amp; FORESTRY</b>	<b>10.8</b>	<b>4.5</b>	<b>11.1</b>	<b>14.0</b>	<b>15.9</b>	<b>4.4</b>	<b>19.3</b>	<b>13.7</b>	<b>9.0</b>	<b>6.8</b>	<b>16.2</b>	<b>9.2</b>	<b>10.3</b>	<b>13.2</b>	<b>5.5</b>	<b>(0.4)</b>	<b>2.9</b>	<b>(2.3)</b>	<b>13.3</b>	<b>1.1</b>	<b>13.0</b>	<b>4.0</b>	<b>0.3</b>	<b>(4.6)</b>	<b>1.8</b>	<b>8.7</b>	<b>7.7</b>	<b>9.6</b>		
Agriculture & Hunting	11.0	13.8	13.5	14.9	17.9	7.2	21.9	17.1	6.6	-3.1	7.0	-5.5	7.5	0.7	1.4	3.9	0.9	2.6	10.1	-1.0	9.5	8.5	-0.5	-3.4	3.4	1.2	3.0	3.9		
Forestry & Logging	16.0	5.0	2.2	15.6	15.2	3.7	30.3	-1.8	9.4	31.2	19.1	0.4	19.5	5.4	31.2	-7.7	1.5	-13.5	24.1	13.5	33.7	-10.9	1.1	-8.6	13.7	8.1	18.7	-3.2		
Fishing	6.0	-17.2	14.3	9.3	10.5	-4.6	-4.9	24.4	19.4	17.2	-0.2	22.8	3.1	6.5	-1.7	-7.7	12.4	-9.0	15.9	-3.5	2.1	8.3	2.4	-4.8	12.2	-3.7	-1.4	13.9		
<b>INDUSTRY</b>	<b>13.67</b>	<b>5.6</b>	<b>22.4</b>	<b>21.3</b>	<b>16.2</b>	<b>24.2</b>	<b>22.5</b>	<b>61.4</b>	<b>4.9</b>	<b>-7.6</b>	<b>4.4</b>	<b>9.6</b>	<b>2.7</b>	<b>27.0</b>	<b>-47.3</b>	<b>-4.1</b>	<b>-3.5</b>	<b>11.2</b>	<b>9.0</b>	<b>11.1</b>	<b>-0.3</b>	<b>13.2</b>	<b>26.8</b>	<b>-0.9</b>	<b>-8.0</b>	<b>-19.4</b>	<b>-16.7</b>	<b>0.1</b>		
Mining & Quarrying	148.5	14.8	26.4	36.8	65.5	207.7	85.4	741.8	-7.9	-49.0	-52.7	7.3	-61.0	0.1	119.2	-5.8	-26.9	59.4	189.0	113.8	41.5	708.8	0.0	-42.3	-59.0	8.7	-56.7	-1.3		
Manufacturing	13.5	13.0	23.6	31.6	15.2	17.9	18.3	18.5	7.0	0.4	19.9	-16.2	5.6	39.3	0.6	-6.0	10.7	22.7	-1.7	0.0	8.5	2.3	2.1	-1.2	-11.6	-12.4	11.6	17.9		
Electricity & Water	9.7	-52.1	70.6	-7.3	-1.0	72.0	84.7	12.6	25.2	22.4	25.0	8.2	10.1	-27.8	2.8	-0.2	22.6	-57.0	179.9	-21.9	75.8	-11.1	-15.0	16.5	4.3	-3.4	5.4	-2.4		
Construction	14.5	21.4	6.2	-0.8	24.4	19.0	-3.1	20.5	16.4	28.6	41.3	23.2	22.2	16.0	-19.8	2.3	7.4	9.6	6.3	4.3	-8.1	-16.6	-1.7	28.9	16.2	11.7	11.4	4.6		
<b>SERVICES</b>	<b>13.8</b>	<b>41.5</b>	<b>16.4</b>	<b>15.9</b>	<b>13.9</b>	<b>9.6</b>	<b>10.7</b>	<b>6.8</b>	<b>11.0</b>	<b>13.2</b>	<b>13.9</b>	<b>12.1</b>	<b>14.7</b>	<b>9.5</b>	<b>-55.0</b>	<b>11.9</b>	<b>15.1</b>	<b>5.2</b>	<b>7.8</b>	<b>-0.5</b>	<b>4.6</b>	<b>5.1</b>	<b>2.3</b>	<b>4.1</b>	<b>22.0</b>	<b>19.8</b>	<b>5.1</b>	<b>9.7</b>		
Wholesale and Retail Trade	10.3	87.9	23.7	9.4	18.0	11.0	15.5	13.8	13.9	25.8	4.7	9.6	9.4	4.2	15.3	-1.1	8.2	12.6	-1.6	6.7	2.1	1.0	3.1	23.7	4.1	-0.7	5.9	4.8		
Hotel & Restaurants	14.6	-7.1	15.0	16.3	13.4	37.3	41.7	28.5	5.1	11.1	-15.3	26.3	-7.3	21.8	31.4	-2.9	9.1	3.4	-4.6	23.0	25.4	4.3	8.7	-2.8	-3.1	14.1	-2.8	15.4		
Transport & Storage	25.5	5.4	17.2	9.7	15.1	14.3	9.8	8.2	5.2	-13.2	-9.0	35.3	-16.1	29.2	16.3	-1.1	8.2	2.9	-1.6	6.7	2.1	1.0	3.1	23.7	4.1	-0.7	5.9	4.8		
Communications	43.3	51.8	43.8	31.3	22.7	16.8	8.7	-25.4	1.2	20.4	-7.2	9.3	18.3	-5.2	32.8	8.7	23.5	14.6	6.1	2.9	10.3	6.8	2.3	20.4	-7.2	-14.3	18.3	-5.2		
Financial Intermediation	51.8	112.7	45.9	29.4	36.7	-13.9	-22.5	19.3	22.2	10.9	7.7	8.5	-10.7	32.3	42.0	127.9	16.7	20.0	-5.4	2.6	28.0	10.8	15.1	6.7	5.4	8.3	14.6	0.2		
Insurance Services	142.4	-2.7	136.7	11.5	-4.2	-5.1	11.6	2.8	5.3	38.6	12.4	-18.3	66.3	11.7	126.7	127.9	16.7	20.0	-5.4	2.6	28.0	10.8	15.1	6.7	5.4	8.3	14.6	0.2		
Real Estate & Renting	6.2	8.6	7.1	7.9	8.7	7.1	7.1	7.2	7.2	7.0	3.7	7.2	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.5	7.0	3.7	7.2	3.7
Owner Occupied Dwellings	7.3	2.5	16.2	-0.8	-0.1	-1.5	-1.5	-1.5	17.6	-3.0	-4.9	21.6	5.4	7.9	4.8	3.5	14.4	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	-5.5	4.0	4.0	4.0
Business Services	2.9	79.4	3.1	32.4	36.4	26.2	24.6	34.2	24.7	-1.6	-5.5	19.5	-16.6	9.0	-3.8	16.2	5.7	8.0	2.1	3.5	8.3	9.7	3.4	10.2	-0.8	1.8	6.4	6.2		
Public Administration & Defense	3.3	114.8	-7.3	23.3	1.5	12.1	9.5	-3.2	7.6	17.9	1.7	9.7	1.2	-3.6	6.4	97.3	-14.5	12.2	-7.2	0.1	5.0	-5.9	3.2	27.8	2.3	10.0	2.2	2.5		
Education	18.6	28.9	12.7	31.0	17.9	10.2	15.1	7.9	12.1	21.8	3.6	6.7	8.9	6.8	10.8	13.7	1.9	11.9	5.9	3.9	1.8	4.6	5.3	22.5	3.5	5.7	11.5	12.1		
Health	21.8	40.0	67.9	11.4	25.1	21.3	20.5	15.2	20.9	2.5	10.5	11.8	-1.7	-0.7	13.8	5.4	40.8	-11.1	2.4	2.3	2.3	2.3	1.7	6.6	12.2	13.6	11.1	11.1		
Other Services	9.3	15.6	14.9	17.4	6.4	-1.3	9.9	6.1	9.3	16.4	-9.0	1.5	4.4	1.6	2.1	3.9	1.3	2.3	2.3	2.3	2.3	2.3	2.3	16.1	-12.8	-6.7	0.7	-0.5		
Taxes on Products less Subsidies	12.5	21.5	15.0	15.8	14.9	9.4	15.1	16.7	9.1	7.3	5.3	5.2	5.7	7.3	6.8	6.5	5.2	4.5	5.7	2.6	9.0	6.8	1.8	5.4	1.1	1.5	6.0	5.2		
Less Imputed Bank Charges	15.6	2.5	3.8	24.0	12.0	5.0	0.8	44.9	18.9	3.0	-3.7	3.1	5.2	1.4	7.9	-6.9	-4.7	13.5	4.2	0.1	-0.3	38.9	13.4	5.4	1.1	1.5	6.0	5.2		
<b>GROSS DOMESTIC PRODUCT (GDP)</b>	<b>11.7</b>	<b>18.8</b>	<b>12.8</b>	<b>13.3</b>	<b>13.1</b>	<b>7.9</b>	<b>11.6</b>	<b>12.2</b>	<b>7.2</b>	<b>7.1</b>	<b>5.0</b>	<b>5.0</b>	<b>5.9</b>	<b>6.8</b>	<b>7.7</b>	<b>7.4</b>	<b>4.1</b>	<b>3.6</b>	<b>6.2</b>	<b>2.9</b>	<b>9.7</b>	<b>7.4</b>	<b>2.4</b>	<b>5.3</b>	<b>1.0</b>	<b>1.4</b>	<b>5.9</b>	<b>5.3</b>		
<b>GDP Excluding Development Budget</b>	<b>9.5</b>	<b>14.4</b>	<b>13.8</b>	<b>13.8</b>	<b>14.1</b>	<b>7.8</b>	<b>11.7</b>	<b>13.2</b>	<b>7.4</b>	<b>6.2</b>	<b>5.4</b>	<b>5.2</b>	<b>6.1</b>	<b>7.0</b>	<b>5.9</b>	<b>1.9</b>	<b>5.4</b>	<b>4.2</b>	<b>7.5</b>	<b>3.4</b>	<b>9.8</b>	<b>8.6</b>	<b>2.5</b>	<b>4.4</b>	<b>1.3</b>	<b>1.5</b>	<b>6.1</b>	<b>5.5</b>		

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

Expenditure	Current Prices														Constant 2012 Prices													
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016/p	2017/p	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016/p	2017/p
<b>Final Consumption Expenditure</b>	<b>17.4</b>	<b>34.9</b>	<b>11.0</b>	<b>9.0</b>	<b>15.6</b>	<b>7.2</b>	<b>13.5</b>	<b>1.3</b>	<b>8.9</b>	<b>12.7</b>	<b>7.2</b>	<b>2.3</b>	<b>6.1</b>	<b>2.8</b>	12.6	29.8	2.6	3.8	1.8	-0.9	9.0	-3.7	-0.8	10.5	3.1	3.2	3.7	1.7
Household Final Consumption Expenditure	12.6	14.3	13.0	10.9	19.2	7.1	12.8	8.2	7.7	6.0	8.5	2.3	6.5	0.6	6.5	9.3	4.2	7.9	4.2	-1.6	8.7	4.1	3.1	3.7	3.1	2.5	3.5	0.05
Private Non Profit Institutions Serving Households	1.2	13.1	13.0	4.3	7.2	-3.3	9.8	6.3	14.0	6.4	6.5	8.6	17.7	3.1	-5.5	2.7	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.6	2.6	-0.2	2.8	0.5
Government Consumption Expenditure	39.0	100.5	7.3	6.2	9.9	8.4	15.1	-12.6	11.3	29.2	4.8	1.8	4.2	7.5	33.7	80.6	0.3	-2.2	-2.2	-0.1	10.0	-17.2	-9.0	27.3	3.1	4.9	4.2	4.8
<b>Gross Fixed Capital Formation</b>	<b>22.7</b>	<b>51.0</b>	<b>4.3</b>	<b>27.4</b>	<b>15.4</b>	<b>3.1</b>	<b>56.6</b>	<b>-6.1</b>	<b>14.3</b>	<b>5.0</b>	<b>-6.4</b>	<b>20.6</b>	<b>5.4</b>	<b>14.3</b>	<b>15.2</b>	<b>70.9</b>	<b>1.0</b>	<b>15.1</b>	<b>4.0</b>	<b>-2.8</b>	<b>85.2</b>	<b>-41.1</b>	<b>4.9</b>	<b>-2.6</b>	<b>-6.7</b>	<b>19.9</b>	<b>4.9</b>	<b>13.4</b>
Durable Equipment	58.7	74.5	3.9	42.5	2.2	-17.1	115.6	-23.7	-14.7	34.9	-20.4	23.8	-0.7	30.8	48.4	71.5	-8.9	30.4	-9.6	-35.2	99.5	-16.1	1.1	18.1	-20.4	23.3	-1.6	30.4
Construction	-4.7	21.2	5.0	0.2	49.5	38.7	-5.4	36.2	53.1	-17.3	10.8	17.7	11.0	0.7	-4.9	70.5	10.4	3.0	17.6	21.9	79.3	-52.4	7.8	-18.2	8.2	17.3	10.4	0.8
<b>Change in Inventories</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26.1)</b>	<b>41.7</b>	<b>(97.7)</b>	<b>(5,022)</b>	<b>5.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.3</b>	<b>(5.8)</b>	<b>(2.3)</b>	<b>5.1</b>	<b>8.3</b>
<b>Exports of Goods and Services</b>	<b>26.4</b>	<b>30.4</b>	<b>11.9</b>	<b>34.6</b>	<b>22.1</b>	<b>-9.4</b>	<b>34.6</b>	<b>60.1</b>	<b>6.7</b>	<b>-0.9</b>	<b>-3.3</b>	<b>0.2</b>	<b>4.3</b>	<b>2.9</b>	<b>5.9</b>	<b>9.3</b>	<b>1.6</b>	<b>16.3</b>	<b>10.3</b>	<b>-17.8</b>	<b>32.7</b>	<b>32.1</b>	<b>14.0</b>	<b>-5.2</b>	<b>-11.3</b>	<b>-6.5</b>	<b>10.7</b>	<b>5.2</b>
Merchandise, f.o.b.	28.2	17.5	15.2	45.1	29.6	-18.6	35.8	76.5	9.1	-2.1	-1.8	-0.3	3.2	0.0	0.9	5.9	-2.3	18.6	15.1	-27.1	25.8	47.1	21.4	-6.0	-11.7	-7.3	11.5	2.5
Services	21.6	66.3	5.3	11.8	1.4	23.1	31.7	20.4	-1.9	4.0	-8.9	2.2	8.6	14.0	33.4	23.6	15.6	9.2	-5.5	19.3	49.6	1.0	-8.2	-1.9	-9.7	-3.2	7.8	14.9
<b>Less: Imports of Goods and Services</b>	<b>24.8</b>	<b>23.1</b>	<b>22.7</b>	<b>36.8</b>	<b>15.3</b>	<b>-12.4</b>	<b>59.3</b>	<b>5.1</b>	<b>3.1</b>	<b>5.3</b>	<b>-0.1</b>	<b>-1.7</b>	<b>1.5</b>	<b>0.4</b>	<b>30.7</b>	<b>14.3</b>	<b>25.0</b>	<b>28.1</b>	<b>-7.3</b>	<b>-17.6</b>	<b>52.2</b>	<b>-6.9</b>	<b>2.0</b>	<b>0.6</b>	<b>-2.1</b>	<b>0.8</b>	<b>4.1</b>	<b>-2.9</b>
Merchandise, f.o.b.	50.7	16.2	25.7	34.6	13.1	-15.0	50.8	10.8	-0.8	6.2	-0.1	2.3	-2.5	-1.3	31.0	8.0	13.7	26.0	-9.1	-20.2	40.6	-1.9	2.5	1.5	-2.2	4.8	0.0	-4.6
Services	-20.3	45.7	14.9	43.0	21.3	-5.8	78.7	-6.0	12.1	3.4	0.0	-9.8	10.8	4.0	29.0	50.0	70.7	33.9	-2.5	-11.5	77.0	-15.5	1.0	-1.2	-2.0	-7.6	13.7	0.5
<b>GROSS DOMESTIC PRODUCT</b>	<b>11.7</b>	<b>18.8</b>	<b>12.8</b>	<b>13.3</b>	<b>13.1</b>	<b>7.9</b>	<b>11.6</b>	<b>12.2</b>	<b>7.2</b>	<b>7.1</b>	<b>5.0</b>	<b>5.0</b>	<b>5.9</b>	<b>6.8</b>	<b>7.7</b>	<b>7.4</b>	<b>4.1</b>	<b>3.6</b>	<b>6.2</b>	<b>2.9</b>	<b>9.7</b>	<b>7.4</b>	<b>2.4</b>	<b>5.3</b>	<b>1.0</b>	<b>1.4</b>	<b>5.9</b>	<b>5.3</b>

p/ - preliminary estimates



**Table 6. Contribution (%) to GDP by Economic Activity, Expenditure Share and Sector - Current Prices**

Eco Activity/Expenditure/Sector	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p
Agriculture	19.1	19.0	18.2	18.3	18.6	19.4	19.2	21.0	21.9	21.8	19.7	20.1	18.1	18.4	17.3
Forestry & logging	7.7	8.0	7.0	6.4	6.5	6.6	6.4	7.4	6.5	6.6	8.1	9.2	8.8	10.0	9.8
Fishing	8.8	8.4	5.8	5.9	5.7	5.6	4.9	4.2	4.7	5.2	5.7	5.4	6.3	6.1	6.1
Mining & Quarrying	0.0	0.1	0.1	0.1	0.1	0.2	0.5	0.8	5.8	5.0	2.4	1.1	1.1	0.4	0.4
Manufacturing	6.0	6.1	5.8	6.4	7.4	7.6	8.3	8.8	9.2	9.2	8.7	9.9	7.9	7.9	10.3
Electricity Water	1.4	1.4	0.5	0.8	0.7	0.6	0.9	1.6	1.6	1.8	2.1	2.5	2.6	2.7	1.8
Construction	2.0	2.1	2.1	2.0	1.7	1.9	2.1	1.8	2.0	2.1	2.5	3.4	4.0	4.6	5.0
Wholesale & Retail	6.0	5.9	9.4	10.3	9.9	10.3	10.6	11.0	11.2	11.9	13.9	13.9	14.5	15.0	14.6
Hotels & Restaurants	1.4	1.5	1.1	1.2	1.2	1.2	1.5	1.9	2.2	2.2	2.3	1.8	2.2	1.9	2.2
Transportation & Storage	4.8	5.4	4.8	5.0	4.9	4.9	5.2	5.2	5.0	4.9	4.0	3.4	4.4	3.5	4.2
Communications	1.4	1.8	2.3	2.9	3.3	3.6	3.9	3.8	2.5	2.4	2.7	2.4	2.5	2.8	2.5
Financial intermediation	0.8	1.0	1.9	2.4	2.7	3.3	2.7	1.8	2.0	2.2	2.3	2.4	2.4	2.1	2.6
Insurance Services	0.2	0.3	0.3	0.6	0.6	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.6	0.7
Ownership of Owner-Occupied Dwellings	6.9	6.6	6.0	5.7	5.4	5.2	5.2	5.0	4.7	4.7	4.7	4.7	4.8	4.7	4.5
Real Estate Services	2.9	2.7	2.4	2.4	2.1	1.9	1.7	1.5	1.3	1.5	1.3	1.2	1.4	1.4	1.4
Business Services	0.5	0.5	0.7	0.7	0.8	0.9	1.1	1.2	1.5	1.7	1.6	1.4	1.6	1.3	1.3
Public Administration	5.1	4.7	8.5	7.0	7.6	6.8	7.1	7.0	6.0	6.0	6.6	6.4	6.7	6.4	5.8
Education Services	2.7	2.9	3.2	3.1	3.6	3.8	3.9	4.0	3.8	4.0	4.6	4.5	4.6	4.7	4.7
Health Services	0.9	1.0	1.2	1.8	1.8	2.0	2.2	2.4	2.4	2.7	2.6	2.8	2.9	2.7	2.5
Personal and Other Services	3.5	3.4	3.3	3.4	3.5	3.3	3.0	3.0	2.8	2.9	3.1	2.7	2.6	2.6	2.4
<b>GDP at factor cost</b>	<b>82.2</b>	<b>82.8</b>	<b>84.6</b>	<b>86.3</b>	<b>88.2</b>	<b>89.6</b>	<b>91.0</b>	<b>93.8</b>	<b>97.6</b>	<b>99.3</b>	<b>99.4</b>	<b>99.7</b>	<b>99.9</b>	<b>99.7</b>	<b>100.2</b>
Taxes less subsidies	2.3	2.3	2.0	1.9	2.0	2.0	2.0	1.8	2.3	2.5	2.4	2.2	2.2	2.2	2.1
Less Bank Service Charge	-0.5	-0.6	-0.8	-1.3	-1.5	-2.0	-2.0	-1.8	-1.6	-1.8	-1.9	-2.0	-2.1	-1.8	-2.2
<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>100.0</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>100.0</b>	<b>100.0</b>
<b>Expenditure on GDP</b>															
Household Consumption	66.4	66.1	51.5	57.7	60.8	62.0	61.0	63.1	59.7	59.5	58.0	60.8	57.8	57.6	54.8
NGO Final Consumption	4.6	4.1	3.2	3.6	3.5	3.2	2.9	2.9	2.7	2.8	2.8	2.9	2.9	3.2	3.1
Government Final Consumption	18.1	22.2	30.3	32.3	32.6	30.6	30.5	32.1	24.6	25.3	30.0	30.4	28.8	28.1	28.5
Gross Fixed Capital Formation	9.8	10.6	10.9	11.3	13.6	13.4	12.7	18.3	15.0	18.6	17.8	15.9	17.8	15.7	17.0
Construction	5.5	4.7	3.8	4.0	3.8	4.9	6.2	5.4	6.4	9.1	6.9	7.4	8.1	8.4	8.0
Machinery and equipment	4.2	5.9	7.0	7.2	9.8	8.6	6.5	12.9	8.6	6.8	8.4	6.5	7.5	6.9	8.6
Change in Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.4	-0.9	-1.3	0.0	1.3	1.3
Gross National Expenditure	98.9	103.0	95.8	104.8	110.5	109.3	107.2	116.4	102.0	105.0	107.6	108.8	107.3	105.9	104.7
plus Exports of goods and services	23.8	26.5	23.6	26.1	33.4	34.9	29.1	35.8	50.2	49.6	45.1	42.2	39.3	38.3	37.3
Goods	17.2	19.5	15.6	17.8	24.6	27.3	20.4	25.4	39.2	39.6	35.6	33.8	31.3	30.2	28.6
Services	6.5	7.0	7.9	8.3	8.8	7.6	8.7	10.4	11.0	10.0	9.5	8.4	8.0	8.1	8.7
less Imports of goods and services	36.7	40.4	33.9	41.3	53.7	52.9	42.6	62.2	57.2	54.6	52.7	51.0	46.6	44.2	42.0
Goods	23.3	31.0	24.6	30.6	39.2	37.9	29.6	40.9	39.6	36.4	35.5	34.3	32.6	29.7	27.7
Services	13.4	9.4	9.3	10.6	14.5	15.0	13.0	21.3	17.5	18.2	17.2	16.7	14.0	14.5	14.3
<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>100.0</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>100.0</b>	<b>100.0</b>
<b>Statistical discrepancy</b>	<b>8.5</b>	<b>7.2</b>	<b>-13.3</b>	<b>-2.9</b>	<b>4.5</b>	<b>1.0</b>	<b>0.2</b>	<b>2.4</b>	<b>0.6</b>	<b>-0.2</b>	<b>-1.9</b>	<b>-0.3</b>	<b>-2.7</b>	<b>-3.6</b>	<b>-2.6</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>	<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>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>of which:</i>															
<b>Formal Sector</b>	<b>63.8</b>	<b>61.0</b>	<b>54.1</b>	<b>57.6</b>	<b>51.6</b>	<b>48.9</b>	<b>45.3</b>	<b>49.2</b>	<b>56.1</b>	<b>54.3</b>	<b>54.1</b>	<b>53.7</b>	<b>53.2</b>	<b>54.2</b>	<b>50.7</b>
<b>General Government</b>	<b>5.9</b>	<b>7.0</b>	<b>9.2</b>	<b>9.0</b>	<b>10.7</b>	<b>11.0</b>	<b>11.7</b>	<b>11.8</b>	<b>11.1</b>	<b>11.6</b>	<b>13.0</b>	<b>12.9</b>	<b>13.4</b>	<b>13.4</b>	<b>12.5</b>
<b>Total Informal Sector</b>	<b>49.6</b>	<b>47.0</b>	<b>43.4</b>	<b>41.8</b>	<b>39.4</b>	<b>40.2</b>	<b>40.1</b>	<b>36.7</b>	<b>34.5</b>	<b>34.1</b>	<b>32.9</b>	<b>33.4</b>	<b>33.4</b>	<b>32.4</b>	<b>30.4</b>
<i>of which:</i>															
Agriculture - cash crops	7.1	6.4	6.6	5.7	5.6	7.8	7.2	6.8	7.5	7.0	6.3	6.8	6.3	6.1	5.8
- home consumption	17.2	17.1	15.5	15.1	14.0	14.3	14.6	13.4	12.7	12.7	11.4	11.9	10.6	10.4	9.7
Forestry & Logging - monetary	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
- nonmonetary	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Fishing -monetary	10.0	8.4	5.3	4.9	4.2	3.4	4.1	3.1	1.8	1.7	1.7	1.6	2.9	2.7	2.6
- home consumption	4.9	4.7	3.7	3.4	3.0	2.6	3.0	2.4	1.6	1.5	2.5	2.5	2.3	2.1	2.0
Mining-alluvial gold production	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Manufacturing - sawn timber, handicrafts, :	2.3	2.6	2.9	3.9	3.3	3.5	2.1	2.2	2.2	1.9	1.9	1.8	1.8	1.8	1.7
Construction -permanent structures	1.3	0.4	0.4	0.4	0.4	0.5	0.6	0.5	0.4	0.5	0.4	0.3	1.0	0.9	0.8
-traditional dwellings	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Wholesale and Retail Trade	1.5	1.4	1.2	1.1	1.1	1.1	1.1	1.0	0.9	0.9	0.9	0.9	1.0	1.0	0.9
Transport - Buses, taxis, OBMs, pickups	1.1	1.4	1.5	1.6	1.6	1.5	1.5	1.4	1.3	1.3	1.2	1.2	1.2	1.1	1.0
Owner-occupied -permanent dwellings	8.9	8.4	7.5	6.9	6.3	5.9	5.7	5.3	4.9	4.7	4.7	4.6	4.7	4.6	4.3
- rural traditional houses	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.0
Real Estate Rental Activity	1.0	0.8	1.1	1.1	1.1	1.0	0.9	0.9	0.8	0.9	0.9	0.8	0.8	0.8	0.8
Other services	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.4	0.4

**Table 7. Manufacturing Value Added by Main Categories - Current and Constant Prices Values**

Main Manufacturing Group	Current Prices (SIS Millions)															Constant 2012 Prices (SIS Millions)														
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p
Food manufacturing	72.0	81.7	92.4	114.2	150.2	172.9	203.8	241.2	285.8	305.8	307.1	368.1	308.7	326.0	454.0	229.7	34.0	196.9	216.3	273.5	254.7	247.2	284.5	302.8	305.8	308.7	287.4	264.0	302.9	362.9
Beverages & tobacco manufacturing	81.1	92.0	104.0	128.5	169.1	194.7	229.5	271.6	321.8	344.3	345.8	414.5	347.5	367.1	511.2	247.1	38.9	244.9	270.6	337.4	337.3	339.5	347.9	336.9	344.3	328.7	263.0	221.5	230.7	257.6
Wood products manufacturing	12.9	14.6	16.5	20.4	26.9	30.9	36.5	43.1	51.1	54.7	54.9	65.8	55.2	58.3	81.2	24.0	336.4	30.4	35.5	40.9	43.1	44.6	49.4	53.2	54.7	55.3	53.9	44.7	50.3	59.1
Printing and publishing	6.6	7.5	8.5	10.5	13.8	15.9	18.7	22.1	26.2	28.1	28.2	33.8	28.3	29.9	41.7	9.8	136.8	12.4	14.9	17.8	19.4	20.7	23.7	26.4	28.1	29.3	29.5	25.3	29.4	35.8
Chemicals and rubber manufacturing	1.6	1.8	2.1	2.6	3.4	3.9	4.6	5.4	6.4	6.9	6.9	8.3	6.9	7.3	10.2	5.8	0.9	5.5	6.7	7.6	6.3	6.8	7.3	6.5	6.9	7.0	7.0	6.0	6.9	8.3
Non-metallic products manufacturing	0.8	0.9	1.0	1.2	1.6	1.8	2.2	2.6	3.1	3.3	3.3	3.9	3.3	3.5	4.9	2.3	0.4	2.1	2.4	2.7	2.7	2.7	3.1	3.2	3.3	3.4	3.3	2.8	3.3	4.0
Metallic products manufacturing	10.1	11.5	12.9	16.0	21.0	24.2	28.6	33.8	40.0	42.8	43.0	51.6	43.2	45.7	63.6	30.3	4.8	27.0	28.6	25.6	29.8	31.8	36.5	40.6	42.8	44.2	42.7	37.3	47.8	64.0
Other manufacturing	5.2	5.9	6.7	8.3	10.9	12.6	14.8	17.5	20.7	22.2	22.3	26.7	22.4	23.7	33.0	15.5	15.6	14.7	16.2	19.9	19.6	19.6	21.3	21.7	22.2	21.9	19.4	17.0	19.0	22.4
<b>Total Manufacturing</b>	<b>190.4</b>	<b>216.0</b>	<b>244.1</b>	<b>301.7</b>	<b>396.8</b>	<b>457.0</b>	<b>538.6</b>	<b>637.3</b>	<b>755.1</b>	<b>808.0</b>	<b>811.6</b>	<b>972.7</b>	<b>815.6</b>	<b>861.4</b>	<b>1,199.7</b>	<b>564.6</b>	<b>567.9</b>	<b>534.0</b>	<b>591.2</b>	<b>725.3</b>	<b>712.9</b>	<b>712.9</b>	<b>773.7</b>	<b>791.3</b>	<b>808.0</b>	<b>798.6</b>	<b>706.3</b>	<b>618.7</b>	<b>690.2</b>	<b>814.1</b>

p/ - preliminary estimates

**Table 8. Household Final Consumption Expenditure (HFCE) by Major Categories - Current and Constant Price Values (SIS millions)**

Major HFCE Groups	Current Prices (SIS Millions)															Constant 2012 Prices (SIS Millions)														
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017p
Food	883.7	1,005.7	1,164.4	1,241.0	1,439.7	1,811.4	1,898.4	2,155.7	2,383.8	2,563.7	2,698.9	2,938.3	2,900.7	3,043.0	2,907.5	1,818.3	1,924.4	2,127.0	2,090.7	2,287.0	2,379.1	2,270.1	2,467.1	2,533.8	2,574.8	2,694.0	2,792.3	2,851.7	2,974.0	2,894.6
Beverages and tobacco	230.4	249.5	252.4	282.1	275.3	307.4	334.4	382.5	449.8	478.7	549.3	691.7	720.0	845.1	915.9	380.3	393.4	407.0	416.5	426.3	436.3	446.5	457.0	467.8	478.7	490.0	501.5	513.2	525.3	537.6
Clothing and footwear	60.2	62.5	64.7	79.6	85.1	87.0	99.7	110.9	114.8	118.3	131.5	140.1	154.2	160.6	158.4	93.9	97.2	100.5	102.9	105.3	107.8	110.3	112.9	115.6	118.3	121.1	123.9	126.8	129.8	132.8
Housing, water, electricity, gas and fuels	321.3	341.0	364.7	386.4	405.6	434.5	464.5	496.0	531.5	567.9	602.8	615.6	660.8	690.2	736.9	403.1	417.7	432.9	456.6	473.5	491.0	509.2	528.1	547.6	567.9	589.0	602.3	624.7	647.9	671.9
Furnishings, household equipment and routine maintenance	116.0	127.4	131.8	164.0	182.7	222.1	254.6	273.4	296.1	319.9	344.1	363.7	383.2	415.0	370.5	223.4	231.1	229.3	261.0	270.0	279.3	288.9	298.9	309.2	319.9	330.9	342.3	354.2	366.4	379.0
Health	5.6	6.2	7.0	7.8	8.3	8.7	9.0	9.3	9.4	12.4	13.1	15.5	18.4	21.6	19.4	10.1	10.3	10.5	10.8	11.0	11.3	11.6	11.8	12.1	12.4	12.7	13.0	13.3	13.6	13.9
Transport	108.0	160.4	246.9	363.3	406.0	467.9	488.1	572.6	566.5	598.5	623.8	645.9	648.8	682.3	761.9	122.4	168.5	222.6	318.0	357.8	384.8	393.8	481.2	548.4	598.5	612.5	626.9	641.6	656.7	672.1
Leisure, entertainment and culture	2.0	2.2	2.5	2.6	2.7	2.9	3.0	3.1	3.2	3.4	4.2	4.4	4.8	4.9	5.1	13.1	13.4	13.7	14.1	14.4	14.7	15.1	15.4	15.8	16.2	16.5	16.9	17.3	17.7	18.1
Education	58.1	63.7	71.9	76.1	77.9	83.3	78.3	89.7	95.7	98.5	94.0	102.8	109.2	114.8	123.4	79.9	81.8	83.7	85.7	87.7	89.7	91.9	94.0	96.2	98.5	100.8	103.2	105.6	108.1	110.6
Hotels, cafes and restaurants	14.9	16.5	18.1	19.9	19.8	24.8	28.3	28.1	29.9	31.7	33.9	35.8	35.8	36.9	37.6	16.1	16.5	16.9	17.4	17.8	18.3	18.7	19.2	19.7	20.2	20.7	21.3	21.8	22.4	23.0
Miscellaneous goods and services	128.6	137.0	157.4	182.3	207.9	259.1	315.6	362.6	370.0	432.1	444.9	455.7	511.0	530.5	545.2	177.6	199.6	240.4	272.4	316.5	336.8	321.9	382.9	404.2	419.7	429.5	439.6	449.8	460.3	471.1
<b>Total HFCE</b>	<b>1,928.8</b>	<b>2,172.1</b>	<b>2,481.8</b>	<b>2,805.0</b>	<b>3,111.0</b>	<b>3,709.1</b>	<b>3,973.9</b>	<b>4,483.9</b>	<b>4,850.8</b>	<b>5,225.0</b>	<b>5,540.6</b>	<b>6,009.5</b>	<b>6,146.8</b>	<b>6,545.0</b>	<b>6,581.9</b>	<b>3,338.2</b>	<b>3,553.9</b>	<b>3,884.6</b>	<b>4,046.0</b>	<b>4,367.3</b>	<b>4,549.1</b>	<b>4,478.0</b>	<b>4,868.5</b>	<b>5,070.4</b>	<b>5,225.0</b>	<b>5,417.7</b>	<b>5,583.2</b>	<b>5,720.1</b>	<b>5,922.2</b>	<b>5,924.9</b>



**Table 10. Revisions to levels of Gross Domestic Product (GDP) by Economic Activity - Current and Constant Price Values (SIS millions)**

Economic Activity	Current Prices (SIS Millions)														Constant 2012 Prices (SIS Millions)													
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>AGRICULTURE, FISHERIES &amp; FORESTRY</b>	<b>212.8</b>	<b>216.7</b>	<b>269.6</b>	<b>315.3</b>	<b>420.8</b>	<b>447.7</b>	<b>475.5</b>	<b>670.8</b>	<b>862.0</b>	<b>958.0</b>	<b>1,068.1</b>	<b>1,264.5</b>	<b>1,257.6</b>	<b>1,384.7</b>	<b>1,112.0</b>	<b>1,154.4</b>	<b>1,161.6</b>	<b>1,192.5</b>	<b>1,180.0</b>	<b>1,325.4</b>	<b>1,327.9</b>	<b>1,479.3</b>	<b>1,561.8</b>	<b>1,563.3</b>	<b>1,445.0</b>	<b>1,554.5</b>	<b>1,573.9</b>	<b>1,662.4</b>
Agriculture & Hunting	106.9	119.9	161.5	199.1	293.2	306.7	347.2	515.2	664.2	767.3	657.9	760.5	696.4	732.3	817.7	829.2	861.4	869.6	892.2	982.3	972.3	1,064.6	1,154.6	1,148.9	1,104.1	1,155.9	1,169.9	1,199.3
Forestry & Logging	(0.2)	0.1	0.3	1.4	0.5	1.6	3.2	5.2	7.5	(16.0)	90.0	164.2	134.6	222.3	109.2	143.3	132.2	134.1	116.0	144.1	163.4	218.6	194.8	196.9	145.9	170.7	186.2	241.1
Fishing	106.0	96.7	107.8	114.8	127.1	139.4	125.1	150.4	190.3	206.6	320.2	339.8	426.7	430.1	185.1	182.0	168.0	188.8	171.8	199.1	192.1	196.1	212.4	217.5	194.9	227.8	217.7	222.0
<b>INDUSTRY</b>	<b>(2.8)</b>	<b>38.0</b>	<b>55.9</b>	<b>66.7</b>	<b>76.9</b>	<b>111.4</b>	<b>150.6</b>	<b>192.0</b>	<b>459.6</b>	<b>556.2</b>	<b>357.0</b>	<b>505.7</b>	<b>369.7</b>	<b>412.6</b>	<b>584.4</b>	<b>562.1</b>	<b>541.1</b>	<b>601.1</b>	<b>666.6</b>	<b>726.1</b>	<b>724.0</b>	<b>811.3</b>	<b>976.1</b>	<b>970.3</b>	<b>868.8</b>	<b>754.0</b>	<b>727.9</b>	<b>776.8</b>
Mining & Quarrying	0.0	0.1	0.2	0.4	0.7	1.2	7.1	19.0	205.6	256.0	30.2	45.7	95.5	27.6	1.3	2.8	2.6	1.9	3.0	8.8	18.8	26.6	214.8	214.8	58.9	24.2	86.6	23.6
Manufacturing	34.8	39.0	52.1	70.2	86.7	113.4	140.7	172.0	227.8	277.7	277.0	363.1	117.0	168.5	388.7	390.9	367.6	407.0	499.3	490.7	490.8	532.6	544.7	556.2	546.5	445.4	347.8	416.7
Electricity & Water	-	-	-	-	-	-	-	-	-	0.1	0.1	(0.7)	0.1	4.8	55.3	56.9	56.8	69.6	30.0	83.9	65.5	115.2	102.5	87.1	105.5	106.6	93.0	96.7
Construction	(37.6)	(1.2)	3.6	(3.9)	(10.6)	(3.2)	2.9	1.0	26.1	22.4	49.8	97.6	157.1	211.7	139.1	111.5	114.1	122.5	134.3	142.7	148.9	136.9	114.1	112.2	157.9	177.8	200.6	239.8
<b>SERVICES</b>	<b>6.8</b>	<b>6.4</b>	<b>38.0</b>	<b>73.6</b>	<b>119.2</b>	<b>184.3</b>	<b>256.9</b>	<b>332.6</b>	<b>375.7</b>	<b>455.7</b>	<b>501.9</b>	<b>310.1</b>	<b>527.2</b>	<b>354.2</b>	<b>1,258.4</b>	<b>1,411.6</b>	<b>1,567.6</b>	<b>1,665.1</b>	<b>1,790.1</b>	<b>1,780.2</b>	<b>1,869.8</b>	<b>1,942.6</b>	<b>1,980.8</b>	<b>2,046.5</b>	<b>2,602.2</b>	<b>2,621.4</b>	<b>2,644.5</b>	<b>2,902.8</b>
Wholesale and Retail Trade	6.8	6.4	17.6	24.1	32.6	40.5	52.3	70.4	90.4	118.9	276.9	224.9	233.4	236.8	494.1	569.7	563.5	609.8	686.7	675.8	720.9	736.1	743.5	766.7	990.5	1,019.6	990.5	1,062.5
Hotel & Restaurants	-	-	0.3	0.7	1.1	1.6	2.6	3.8	5.3	7.8	5.0	6.4	36.5	12.8	40.3	52.9	51.4	56.0	58.0	55.3	68.0	85.3	88.9	96.7	83.1	72.2	87.6	80.4
Transport & Storage	-	-	4.9	11.3	18.4	27.9	39.4	51.3	64.0	76.0	(15.7)	(84.2)	16.7	(64.7)	134.0	155.8	154.1	166.8	171.6	168.8	180.1	183.9	185.8	191.6	273.7	275.2	254.1	280.9
Communications	-	-	11.3	30.5	56.6	87.3	120.3	148.3	122.2	134.0	174.5	154.7	151.1	195.1	31.3	41.5	45.1	55.8	63.9	67.8	69.8	77.0	82.2	84.1	123.0	102.1	64.5	97.4
Financial Intermediation	-	-	0.2	0.5	0.9	1.7	1.8	1.7	2.3	3.2	0.9	(6.1)	(4.9)	(56.1)	1.5	2.1	4.7	5.5	6.6	6.3	6.4	8.2	9.1	10.5	11.5	11.9	12.9	27.7
Insurance Services	-	-	(1.8)	(9.2)	(16.7)	(23.1)	(29.7)	(43.2)	(56.4)	(74.1)	(74.4)	(81.9)	(101.7)	(87.3)	(2.3)	(5.2)	(11.8)	(13.8)	(16.6)	(15.7)	(16.1)	(20.6)	(22.8)	(26.2)	(27.9)	(29.5)	(31.9)	(32.4)
Real Estate & Renting	-	-	8.2	17.2	27.4	39.0	51.4	65.1	80.1	96.5	50.0	51.9	55.6	57.7	77.7	80.6	83.5	86.6	89.8	93.1	96.5	100.0	103.7	107.5	110.5	129.0	133.8	155.6
Owner Occupied Dwellings	-	-	(5.5)	(13.0)	(19.9)	(27.3)	(34.6)	(42.1)	(49.8)	(68.9)	(120.2)	(136.0)	(137.2)	(135.1)	(10.2)	(10.7)	(11.1)	(12.7)	(13.2)	(13.7)	(14.2)	(14.8)	(15.4)	(16.0)	(16.6)	(29.9)	(35.5)	(33.7)
Business Services	-	-	3.7	7.2	13.5	23.1	34.4	48.5	71.8	96.9	88.5	77.2	102.7	73.5	72.8	70.1	81.4	86.0	92.9	94.8	98.1	106.3	116.6	120.5	134.2	132.8	134.7	144.8
Public Administration & Defense	-	-	(7.1)	(13.3)	(24.8)	(33.9)	(47.9)	(63.6)	(72.6)	(90.2)	(85.9)	(95.2)	(49.6)	(91.4)	121.5	129.3	255.0	218.0	244.7	227.1	227.2	238.5	224.4	231.5	343.6	354.9	415.3	420.4
Education	-	-	1.7	3.9	7.6	11.9	16.3	22.4	28.0	35.6	63.3	77.7	100.7	108.0	106.5	118.0	134.2	136.8	153.0	162.0	168.4	171.5	179.4	188.8	243.4	259.0	278.0	326.2
Health	-	-	3.4	11.1	17.9	28.9	42.4	59.3	77.2	103.4	82.8	106.3	132.2	115.0	105.7	120.2	126.7	178.4	158.6	162.4	166.2	170.3	182.2	185.2	190.6	222.3	259.5	294.0
Other Services	-	-	1.2	2.7	4.7	6.6	8.2	10.7	13.2	16.5	56.2	14.7	(8.2)	(10.2)	85.6	87.3	90.7	91.8	94.0	96.2	98.4	100.8	103.1	105.5	142.6	101.7	81.1	79.1
Taxes on Products less Subsidies	-	-	-	-	-	-	-	-	-	-	2.0	(0.1)	11.9	34.3	48.4	52.2	48.6	46.4	52.6	54.8	54.9	54.7	76.0	86.2	103.9	113.3	122.8	146.7
Less Imputed Bank Charges	-	-	0.9	3.2	6.1	12.9	17.2	20.7	25.6	35.3	42.7	49.8	48.8	85.2	(7.2)	(10.3)	(23.4)	(27.4)	(32.8)	(31.0)	(31.8)	(40.8)	(45.2)	(52.0)	(55.6)	(58.5)	(63.4)	(80.2)
<b>GROSS DOMESTIC PRODUCT (GDP)</b>	<b>721.1</b>	<b>805.7</b>	<b>957.5</b>	<b>1,080.3</b>	<b>1,223.7</b>	<b>1,383.5</b>	<b>1,492.4</b>	<b>1,665.9</b>	<b>1,869.8</b>	<b>2,005.1</b>	<b>1,971.7</b>	<b>2,130.1</b>	<b>2,215.3</b>	<b>2,271.1</b>	<b>2,805.3</b>	<b>3,020.9</b>	<b>3,243.2</b>	<b>3,377.4</b>	<b>3,500.3</b>	<b>3,718.2</b>	<b>3,824.8</b>	<b>4,196.1</b>	<b>4,507.9</b>	<b>4,614.3</b>	<b>4,964.2</b>	<b>4,984.6</b>	<b>5,005.7</b>	<b>5,408.5</b>
<b>GDP Excluding Development Budget</b>	<b>721.1</b>	<b>805.7</b>	<b>957.5</b>	<b>1,080.3</b>	<b>1,223.7</b>	<b>1,383.5</b>	<b>1,492.4</b>	<b>1,665.9</b>	<b>1,869.8</b>	<b>2,007.7</b>	<b>1,896.3</b>	<b>2,095.5</b>	<b>2,194.1</b>	<b>2,219.1</b>	<b>2,777.8</b>	<b>2,969.7</b>	<b>3,025.4</b>	<b>3,188.1</b>	<b>3,322.5</b>	<b>3,571.7</b>	<b>3,693.7</b>	<b>4,055.1</b>	<b>4,404.0</b>	<b>4,515.1</b>	<b>4,772.5</b>	<b>4,815.0</b>	<b>4,845.0</b>	<b>5,232.3</b>

**Table 11. Revisions to levels of Gross Domestic Product (GDP) by Expenditure Share - Current and Constant Price Values (SIS millions)**

Expenditure	Current Prices (SIS Millions)														Constant 2012 Prices (SIS Millions)													
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Final Consumption Expenditure</b>	<b>410.8</b>	<b>444.6</b>	<b>459.5</b>	<b>579.7</b>	<b>618.5</b>	<b>733.5</b>	<b>914.2</b>	<b>1,104.4</b>	<b>1,220.1</b>	<b>1,653.4</b>	<b>1,835.7</b>	<b>1,897.1</b>	<b>1,920.3</b>	<b>2,089.4</b>	<b>2,396.1</b>	<b>2,709.4</b>	<b>3,539.9</b>	<b>3,629.7</b>	<b>3,764.1</b>	<b>3,828.0</b>	<b>3,792.5</b>	<b>4,137.2</b>	<b>3,975.4</b>	<b>3,940.8</b>	<b>4,467.1</b>	<b>4,496.9</b>	<b>4,667.9</b>	<b>4,911.8</b>
Household Final Consumption Expenditure	410.8	444.6	462.5	586.5	618.5	733.5	914.2	1,104.4	1,220.1	1,372.1	1,275.4	1,405.0	1,350.2	1,463.5	1,715.6	1,826.5	1,996.4	2,079.4	2,244.5	2,337.9	2,301.4	2,502.1	2,605.9	2,685.3	2,756.4	2,794.1	2,809.5	2,947.8
Private Non Profit Institutions Serving Households	-	-	(3.0)	(6.8)	-	-	-	-	-	17.7	30.2	26.6	27.9	19.5	68.9	65.1	66.9	68.7	70.6	72.5	74.5	76.6	78.7	80.8	82.8	84.7	79.4	81.8
Government Consumption Expenditure	-	-	-	-	-	-	-	-	-	263.5	530.1	465.5	542.2	606.3	611.6	817.8	1,476.6	1,481.6	1,449.0	1,417.5	1,416.6	1,558.5	1,290.9	1,174.6	1,627.9	1,618.0	1,778.9	1,882.2
<b>Gross Fixed Capital Formation</b>	<b>63.8</b>	<b>56.7</b>	<b>6.9</b>	<b>(12.5)</b>	<b>11.3</b>	<b>62.6</b>	<b>104.5</b>	<b>(127.3)</b>	<b>168.1</b>	<b>278.8</b>	<b>190.0</b>	<b>67.4</b>	<b>207.4</b>	<b>347.3</b>	<b>295.1</b>	<b>317.0</b>	<b>541.4</b>	<b>564.3</b>	<b>624.7</b>	<b>678.5</b>	<b>720.5</b>	<b>1,316.5</b>	<b>714.0</b>	<b>756.3</b>	<b>707.1</b>	<b>595.0</b>	<b>778.9</b>	<b>891.3</b>
Durable Equipment	-	-	-	(2.1)	26.4	34.4	38.4	138.4	36.9	(89.8)	(17.1)	(106.7)	11.6	(7.6)	68.3	101.4	173.8	158.3	206.4	186.6	120.9	241.2	202.4	204.6	305.0	197.4	321.7	309.1
Construction	63.8	56.7	6.9	(10.4)	(15.1)	28.1	66.1	(265.7)	131.1	368.6	207.1	174.1	195.8	354.9	226.7	215.6	367.6	406.0	418.2	491.9	599.7	1,075.4	511.6	551.6	402.0	397.6	457.2	582.2
<b>Change in Inventories</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(120.9)</b>	<b>(89.4)</b>	<b>(126.7)</b>	<b>(2.9)</b>	<b>144.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(120.9)</b>	<b>(126.1)</b>	<b>(118.7)</b>	<b>(116.0)</b>	<b>(122.0)</b>
<b>Exports of Goods and Services</b>	<b>30.2</b>	<b>3.1</b>	<b>71.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(117.0)</b>	<b>0.0</b>	<b>(20.6)</b>	<b>125.4</b>	<b>(12.0)</b>	<b>44.2</b>	<b>0.1</b>	<b>949.6</b>	<b>990.7</b>	<b>1,072.4</b>	<b>1,076.8</b>	<b>1,259.6</b>	<b>1,407.7</b>	<b>1,116.9</b>	<b>1,460.5</b>	<b>1,989.3</b>	<b>2,311.2</b>	<b>2,183.9</b>	<b>1,889.3</b>	<b>1,621.4</b>	<b>1,922.5</b>
Merchandise, f.o.b.	-	-	-	-	-	-	-	-	-	(20.4)	132.2	(17.4)	(3.0)	0.0	851.0	859.0	909.7	888.7	1,054.2	1,213.7	885.4	1,114.2	1,639.5	1,990.0	1,872.6	1,602.6	1,331.3	1,642.2
Services	30.2	3.1	71.4	-	-	-	-	(117.0)	0.0	(0.2)	(6.8)	5.3	47.2	0.0	98.7	131.6	162.7	188.1	205.4	194.0	231.5	346.3	349.9	321.2	311.2	286.7	290.1	280.3
<b>Less: Imports of Goods and Services</b>	<b>273.5</b>	<b>139.2</b>	<b>176.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.0)</b>	<b>98.8</b>	<b>(162.9)</b>	<b>(5.7)</b>	<b>38.0</b>	<b>49.4</b>	<b>901.8</b>	<b>1,178.2</b>	<b>1,350.9</b>	<b>1,696.5</b>	<b>2,175.3</b>	<b>2,018.8</b>	<b>1,665.9</b>	<b>2,544.1</b>	<b>2,362.7</b>	<b>2,409.4</b>	<b>2,282.2</b>	<b>2,331.4</b>	<b>2,276.3</b>	<b>2,442.0</b>
Merchandise, f.o.b.	-	-	-	-	-	-	-	-	-	0.2	(0.3)	(5.5)	0.3	49.8	756.6	991.0	1,070.0	1,217.0	1,533.4	1,393.1	1,112.2	1,564.2	1,535.1	1,573.8	1,589.2	1,567.6	1,579.8	1,649.8
Services	273.5	139.2	176.0	-	-	-	-	-	(1.0)	98.6	(162.5)	(0.2)	37.7	(0.4)	145.2	187.3	280.9	479.5	641.9	625.7	553.7	980.0	827.6	835.6	693.0	763.9	696.4	792.2
<i>Balance on External Goods and Services</i>	(243.3)	(136.1)	(104.5)	-	-	-	-	(117.0)	1.0	(119.4)	288.3	(6.4)	6.2	(49.3)	47.8	(187.6)	(278.5)	(619.7)	(915.7)	(611.1)	(549.0)	(1,083.6)	(373.4)	(98.3)	(98.4)	(442.1)	(654.9)	(519.4)
Statistical Discrepancy	489.7	440.4	595.7	513.1	593.9	587.4	473.8	805.8	480.6	313.2	(252.9)	298.7	84.4	(261.0)	66.4	182.1	(559.6)	(196.9)	27.2	(177.1)	(139.3)	(174.0)	191.8	136.4	14.5	453.7	329.9	246.8
<b>GROSS DOMESTIC PRODUCT</b>	<b>721.1</b>	<b>805.7</b>	<b>957.5</b>	<b>1,080.3</b>	<b>1,223.7</b>	<b>1,383.5</b>	<b>1,492.4</b>	<b>1,665.9</b>	<b>1,869.8</b>	<b>2,005.1</b>	<b>1,971.7</b>	<b>2,130.1</b>	<b>2,215.3</b>	<b>2,271.1</b>	<b>2,805.3</b>	<b>3,020.9</b>	<b>3,243.2</b>	<b>3,377.4</b>	<b>3,500.3</b>	<b>3,718.2</b>	<b>3,824.8</b>	<b>4,196.1</b>	<b>4,507.9</b>	<b>4,614.3</b>	<b>4,964.2</b>	<b>4,984.6</b>	<b>5,005.7</b>	<b>5,408.5</b>

## APPENDIX I. HIGHLIGHTS OF IMPACT ON REVISED ESTIMATES

The impact of rebasing GDP from 2004 constant prices to 2012 prices on the structure and growth of the economy is reflected in the upward adjustment to the benchmark estimates as shown in Charts 1-2. At the aggregate level, the revised GDP levels are 30% higher from the new 2012 base level, with an increase in GDP per capita of the same magnitude. This revision is revealed mainly in the annual estimates from 2012 onwards where much of the rebasing work was concentrated.

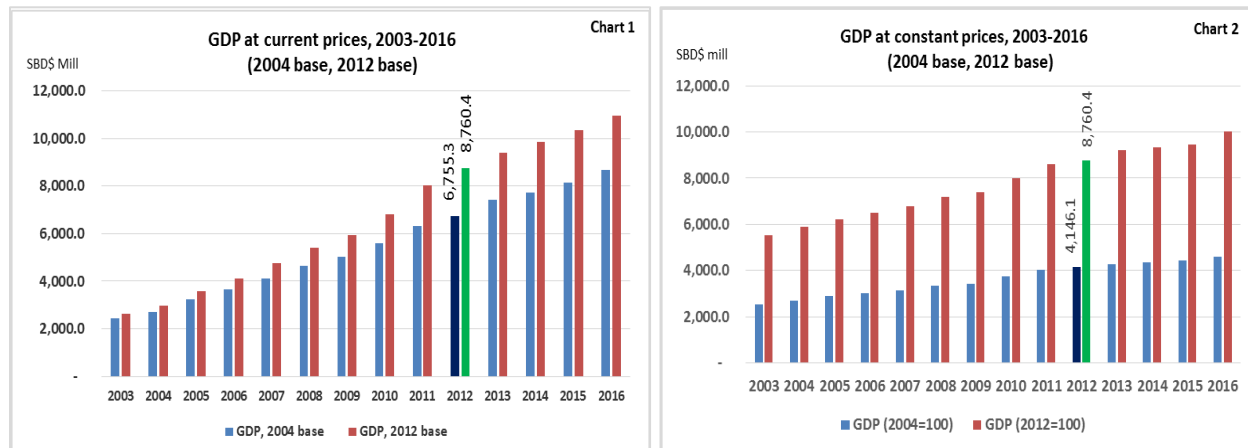
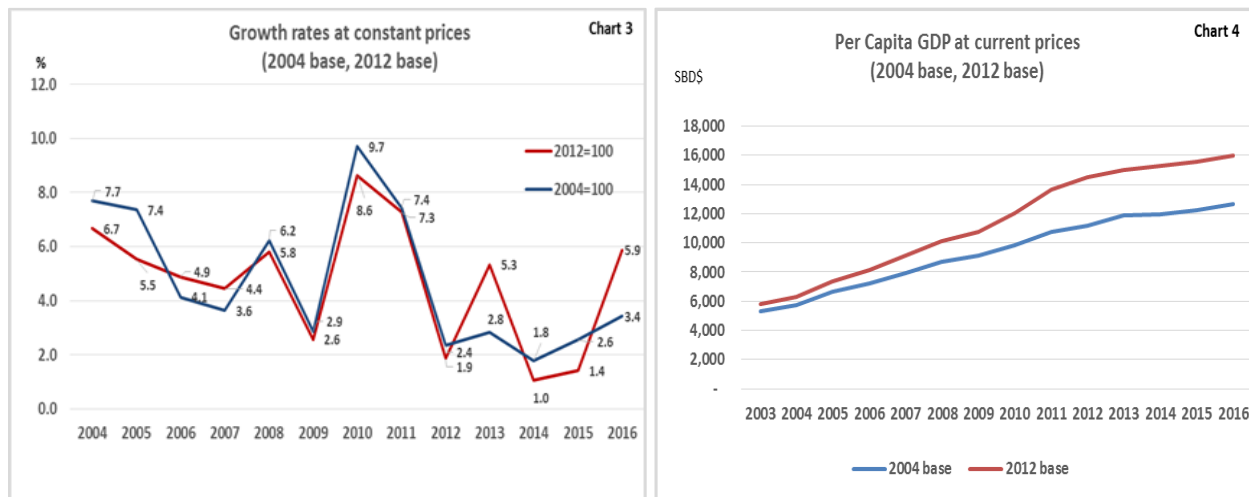
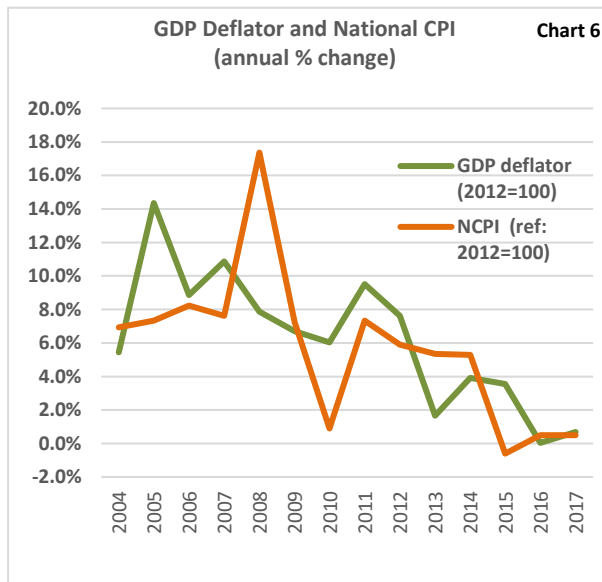
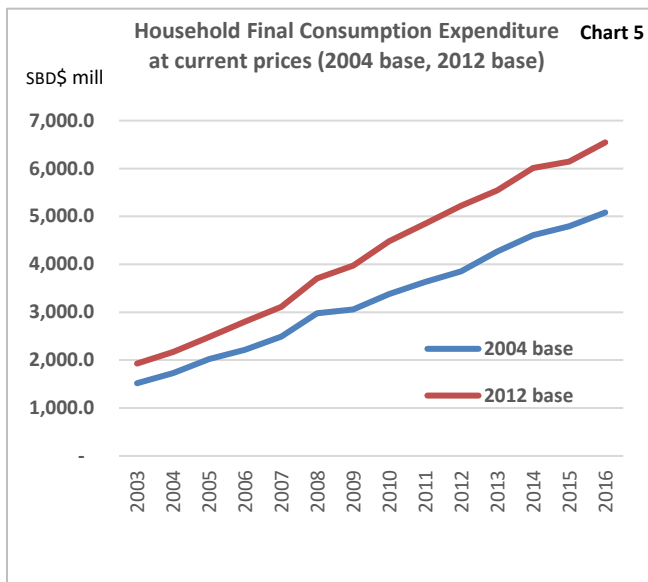


Chart 3 presents the change in real growth rates from 2004 to 2016 with similar trend although post-2012 shows the expanding pace of growth with an increase in real GDP growth by 2.4 percentage points in 2016. In addition, the effect on nominal GDP per capita in 2012 saw an increase from around SBD\$11,200 (USD\$1,500) to SBD\$14,500 (USD\$2,000) as depicted by Chart 4. Although the increase is significant, it still places Solomon Islands at near the bottom of the scale for Pacific Island countries, alongside Papua New Guinea and Kiribati, which also has nominal per capita GDP of less than USD\$ 3,000 in 2012.

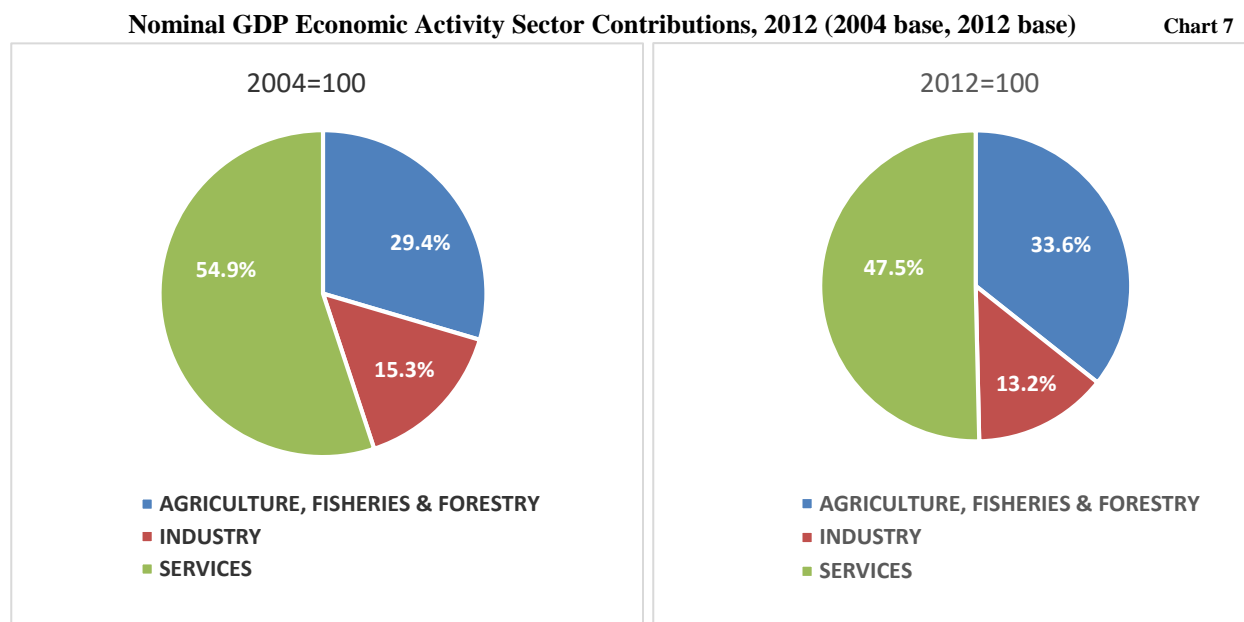


An additional SBD\$1.4 billion (35.6%) was added to Household Final Consumption Expenditure (HFCE) in 2012 mainly as a result of new data from the 2012/2013 Household Income and Expenditure Survey (HIES). The change in magnitude especially from 2012 is depicted in Chart 5. Moreover, the impact of the revised benchmarks reveal the change in prices in economic activity, as shown in Chart 6. With the National CPI and the GDP Deflator showing downward trends in inflation towards 2016,

at the back of declining global commodity-energy prices, the extent of the annual impact is observed in respective industry value added and consumption in nominal and real terms. Price pressures induced by internal and external shocks transmits into implicit price deflators of respective economic industries including sub-indexes of the national CPI thus impacting on growth.



Improvements in data, data sources and techniques have led to improvements in the overall quality of GDP estimates with implications on production and expenditure component shares, and contributions to GDP. Chart 7 shows the relative change in broad sector composition of GDP in 2012 with an expansion in the share of the agriculture, fishery and forestry sector (from 29.4% to 33.6%) in contrast to the industry and services sectors narrowing from 15.3% to 13.2%, and from 54.9% to 47.5%, respectively. This outcome reflects broadly a more realistic picture of the changing behaviour of economic units and their contributions to the economy.



In addition, significant changes to the structure of the economy have been recorded for the formal, informal and general government sectors. The two expanding sectors in 2012 are the formal sector, now accounting for 54.3% of GDP (an increase from 32.6%) and the informal sector increasing in share from 29.1% to 34.1%). The general government sector (separated from the formal sector) decreased significantly by three times its previous share, from 38.3% to 11.6%. The latter has previously been the predominant sector among this group.

Following from the broad sectors, Table A1 show the impact on economic activity at industry level while Table A2 show the impact by selected expenditure components in 2012.

Industry	Current prices			Constant prices		
	2004 base	2012 base	% Change	2004=100	2012=100	% Change
Agriculture & Hunting	1,142.30	1,909.6	67.2%	760.7	1,909.6	151.0%
Forestry & Logging	598.52	582.6	-2.7%	385.6	582.6	51.1%
Fishing	248.26	454.9	83.2%	237.4	454.9	91.6%
Mining & Quarrying	180.3	436.3	142.0%	221.5	436.3	96.9%
Manufacturing	530.3	808.0	52.4%	251.8	808.0	220.9%
Electricity & Water	159.98	160.0	0.04%	188.3	160.0	-15.0%
Construction	163.6	186.0	13.7%	73.8	186.0	152.0%
Wholesale and Retail Trade	919.8	1,038.7	12.9%	272.0	1,038.7	281.9%
Hotel & Restaurants	183.3	191.1	4.2%	94.4	191.1	102.4%
Transport & Storage	351.3	427.3	21.6%	235.7	427.3	81.3%
Communications	76.3	210.3	175.6%	126.3	210.3	66.6%
Financial Intermediation	192.1	195.4	1.7%	184.8	195.4	5.7%
Insurance Services	107.2	33.1	-69.1%	59.3	33.1	-44.2%
Real Estate & Renting	318.9	415.4	30.3%	307.9	415.4	34.9%
Owner Occupied Dwellings	197.0	128.1	-35.0%	144.1	128.1	-11.1%
Business Services	53.0	149.9	182.8%	29.4	149.9	410.7%
Public Administration & Defense	618.0	527.8	-14.6%	296.3	527.8	78.1%
Education	316.8	352.4	11.2%	163.6	352.4	115.5%
Health	137.5	240.8	75.2%	55.6	240.8	333.2%
Other Services	234.3	250.7	7.0%	145.2	250.7	72.7%

Expenditure Components	Current prices			Constant prices		
	2004 base	2012 base	% Change	2004=100	2012=100	% Change
Final Consumption Expenditure	6,042.5	7,695.9	27.4%	3755.1	7,695.9	104.9%
HFCE	3,852.9	5,225.0	35.6%	2539.7	5,225.0	105.7%
Private NPISH	231.4	249.1	7.7%	168.3	249.1	48.0%
Govt. Consumption Expend	1,958.2	2,221.7	13.5%	1047.1	2,221.7	112.2%
Gross Fixed Capital Formation	1,116.5	1,395.2	25.0%	638.9	1,395.2	118.4%
Durable Equipment	686.6	596.7	-13.08%	392.1	596.7	52.2%
Construction	429.9	798.5	85.7%	246.9	798.5	223.4%
Change in Inventories	-	(120.9)	-	-	(120.9)	-

At the reference period of 2012, significant increases (more than doubling) in nominal value added were observed in Business Services (182.8%), Communications (175.6%) and Mining and Quarry (142.0%) while the main declines were recorded in Insurance Services (-69.1%) and Owner Occupied



Dwellings (-35.0%). In absolute terms, Agriculture, and Wholesale and Retail continue to dominate the local economy. In real terms, industries such as Manufacturing, Health and Education have also shown positive growth. In Annex II discussion, particular emphasis is placed on significant improvements in methodologies that have led to revaluations in estimates for a number of industries such as Insurance and Owner Occupied Dwellings compared to the pre-rebase estimates.

In Table A2, the changes to nominal GDP(E) report a one third increase (27.4%) in Final Consumption Expenditure to SBD\$ 7.7 billion in 2012. This is attributed to changes in Household Final Consumption Expenditure (35.6%), Private Non Profit Institutions Serving Households (7.7%) and Government Consumption Expenditure (13.5%). In addition, Gross Fixed Capital Formation rose by a quarter (25.0%) to SBD\$1.4 billion at the back of a solid rise of 85.7% in GFS-Construction outweighing a decline of 13.08% in Durable equipment.

## **APPENDIX II. TECHNICAL NOTE: REBASING, DATA SOURCES AND CHALLENGES**

This annex presents a summary of the rebasing of GDP estimates from 2004 to 2012 base year. Discussions include changes to benchmark estimates, methodological and conceptual issues, data and limitations and balancing and linking of historical series. Discussions conclude around data sources and medium-long term challenges. Additional details of the compilation history of GDP estimates can be obtained from past publications.

The compilation of the GDP estimates follow the framework of the 1993 System of National Accounts (SNA) where GDP is benchmarked by the production and expenditure approaches. While the transition to the 2008 SNA recommendations is part of the on-going development process, it cannot be fully implemented due mainly to data limitations. However, certain conceptual and methodological treatments of specific types of economic activities such mining and mineral exploration have been considered within the meaning of the 2008 SNA.

### **1. REBASING**

As recommended by the United Nations, rebasing is a normal statistical practise undertaken periodically to enable the updating of GDP-national accounts statistics to reflect a more accurate economic picture of the country. GDP rebasing informs policy formulation and decision making by providing up-to-date economic indicators reflecting a more realistic state of the country's economic performance. The exercise captures new economic activities previously excluded whilst also accounting for recent developments in certain sectors such as information and communication technologies, and immerging business services to better reflect the structure and growth of the economy. Revised estimates enable the government and development partners' understanding of the changes in the economy leading to effective allocation of resources and investment. In the Solomon Islands recent rebasing history, the first rebasing exercise undertaken after the ethnic tensions fixed the base year in 2004. The current rebasing of GDP to 2012 constant prices spaces the base periods apart by 8 years. The recommendation is for rebasing to be undertaken within at least 5 year intervals.

During the rebasing process specific updates to the GDP-national accounts compilation system had been reviewed resulting in overall improvements to methodologies, data sources, concepts and revisions to benchmark estimates. The key improvements to the overall compiling framework involved the following:

- Updating the base year for constant price estimates from 2004 to 2012;
- Revising estimates based on the 2012/13 Household Income and Expenditure Survey (HIES) especially household final consumption (HFCE) and informal sector estimates;
- Applying the new National CPI (2017=100), replacing the older Honiara CPI);
- Applying specific conceptual adjustments closer towards consistency with the 2008 SNA;
- Updating and estimating the informal sector, drawing also from the 2012/13 HIES;
- Updating and estimating the financial services activity, drawing from updated data sources;
- Updating and estimating government expenditure and tax revenue;
- Estimating changes in inventories from 2012 onwards.

Although the rebasing exercise resulted in a sudden upward adjustment in GDP, this does not necessarily change the development outlook (e.g., poverty, employment etc.) of the country, but instead show that prior to rebasing, the GDP-national accounts system relied on outdated figures that no longer accurately reflect the composition and size of the economy. The GDP compilation system has been drastically enhanced as on-going development work continues to further strengthen the system into becoming more robust in absorbing and reflecting future changes in the economy.

## **1.2 BENCHMARKING GDP BY PRODUCTION AND EXPENDITURE**

The GDP-compilation process utilises a common annual workbook that presents production estimates for the formal, informal, government and non-profit institution (NPI) sectors; and estimates of final expenditure by type of consumption while allowing for appropriate balancing adjustments to align the two GDP approaches. The rebasing of benchmark estimates resulted in the following outcomes:

- Historical GDP component and level series from 2003 to 2012 have been re-referenced to the new benchmarks and although no changes in annual growth rates were initially realised, from 2012 onwards, however, rebasing was fully implemented and, where required, annual components and corresponding growth rates were revised in nominal and real terms;
- Growth in the previously published estimates was largely driven by the use of historical extrapolations for production components. The new figures makes fuller use of data from the business survey (BS) and other sources, and is arguably more consistent with the 2014 negative shocks (cyclone/flash flooding, closure of Gold Ride mine), and in view of the broader impact of the regional assistance mission to the Solomons (RAMSI) from 2000 to mid-2017 on the economy;
- Rebasing focused on creating new benchmark estimates of nominal GDP by production and expenditure for 2012 (new base year). The nature of this work was generally iterative, as by generating new nominal and real time series, new issues and refinements were identified and needed to be resolved as the updated time series were generated;
- Revised GDP levels in 2012 were around 30 percent higher, largely due to much higher informal production estimates based on the 2012/13 HIES and revisions to household final consumption. There were much higher levels of household subsistence and marketed production of agriculture, fishing and manufacturing. Large upward revisions were also seen in mining (via the capitalization of exploration activity) and communications (via the unforeseen surge in mobile telecommunications). Moreover, the revised levels had been further raised given the impact of correcting for sales tax and utilizing the business survey results more fully. Such an increase is firmly within the range of rebasing impacts in an international context. One key corroboration of the increase is that the tax-to-GDP ratio on the existing estimates is around 36 percent, far higher than the average of around 25 percent in many developed countries, and at odds with the implied comparative tax burdens on businesses and individuals. Based on the new 2012 benchmarks, the tax-to-GDP ratio falls to a more plausible, though still high, 28 percent;
- Since 2012, previous estimates produced have over-relied on extrapolations and proportional estimates to extend data series before applying manual coherence adjustments to align production and expenditure. Coherence adjustments are always necessary to balance alternative GDP measures, but as they are intended to account for statistical error, they should be applied only once issues of timing, concepts and coverage have been addressed as fully as possible. Work to rebase GDP required this type of detailed work, in particular for the base year but also in other years, in ensuring both new levels and growth rates have good justification.

### **1.2.1 GDP BY PRODUCTION**

Gross Domestic Product or Gross Value Added (GVA) by economic activity is basically calculated as the difference between the Gross Value of Output (GVO) and Intermediate Consumption (IC) and adjusting for taxes less subsidies on products. The GVA is also computed by the sum of costs approach depending on the specific nature and conceptual treatment of certain economic activities.

The historical series depended on the approach where the GVOs at constant 2004 prices were mainly derived by extrapolating the 2004 GVO by appropriate volume indicators. The ICs at constant 2004

prices were computed by using volume indicators of IC and by applying the ratio of the IC/GVO in 2004 to GVO at constant price in the current year.

During the updating and rebasing of benchmark estimates, the main improvements applied included new and more accurate information becoming available mainly from the business survey data, and from the flow of annual data from the regular sources (see data sources below). A number of revisions also emanate from the re-distributional effects across production and expenditure approaches as a consequence of improvements to certain procedural approaches in the compilation process.

The key approaches undertaken included:

- The adoption of the industry production template approach to re-estimate 2012 and subsequent year estimates with adjustments to improve the conceptual consistency and productive coverage before aligning estimates on the expenditure and/or production approaches. Each industry template follows a standard matrix format with columns for formal, private production (using the BS), informal production (HIES), government production (Government Finance Statistics (GFS)) and Non-Profit Institution (NPI) production (BS and other sources). These main columns correspond to the elements used in the previous approach to estimating GDP. However, additional columns were introduced to cover necessary conceptual adjustments for: insurance service charges, taxes on production, Financial Intermediation Services Indirectly Measured (FISIM), and a newly-added 'QA' column for balancing purposes. Each column was split into estimates for IC, COE, net operating surplus (NOS), and taxes on production.
- The template benchmarking approach was applied in compiling the following nominal production estimates:
  - Estimation of GO, IC and GVA for all formal private sector industries, excluding financial services from the business survey using some tax information where required including specific imputations. Nominal estimates for production by the service sector from 2013 onwards used in previous GDP estimates were found to be weak. In many instances, basic extrapolation had been used because the business survey results had not been comprehensively imputed or in the case of government, GFS data had not been analyzed and processed. Also, the existing approach to dealing with taxes on production was imprecise and omitted a significant amount of sales tax that involved adjusting;
  - Estimation of informal sector output, IC and GVA were based on extended models in the historical series and updates based on the 2012/13 HIES. These included updates to indicators including the national CPI and the continued use of volume revaluation and deflation to generate current price time series. Estimating the informal sector production by households focused on deriving new benchmark values for agriculture, fishing, forestry and logging, wholesale and retail trade, transport, and domestic services provided to households. These also involved separating and expanded estimates of households' manufacturing activity covering food processing (street food, baked goods etc.) and handicrafts from agricultural production, as well as adding in estimates of unrecorded furniture production based on wood collection/logging activities;
  - Updating work also included the complex, integrated model covering owner-occupied dwellings (OOD) and associated construction and gross fixed capital formation (GFCF). The key change involved revising the deflator used for house rental prices, originally based on public housing and limited private rental data. This was not regarded as plausible in the broader housing market context and some interpolation was used to smooth out the series.
  - Estimation of recurrent and development government output (as the sum of COE and IC), IC and GVA by industry utilized processed and audited GFS outturn data from the CBSI

- supplemented with estimates for provincial government derived from overall provincial GFS data and industry specific grant information;
- New models for FISIM and non-FISIM activity were used in estimating banking and credit union services. The estimation for insurance industry used a new model accounting for insurance premium supplements;
  - Estimation of NPI output (as the sum of COE and IC), IC and GVA using data from the NPI survey is currently unusable and could not be resolved for use in the benchmarks at this stage). The historical nominal series used household final consumption expenditure (HFCE) growth to extrapolate from previous levels. Previously, NPI estimates were only made for Health and Education on the production side, so there was a mismatch in coverage. Coverage has now been broadened on the production approach to include estimates for the other industry groups as listed on the expenditure side. However, attempts to estimate updated values from survey data was inadequate due to data quality issues. For the time being, estimates for Education (fees), Health (expenditure on services) and Religious services (tithes and rent) have been taken from the 2012/13 HIES and adjusted for price and volume change to establish 2012 benchmarks, while for all other industry groups the pre-existing current price values have been maintained. This change is non-neutral due to NPI activity being measured on a sum-of-costs basis. Hence, the addition of a new NPI industry measure would increase GDP(P) by output less IC, while GDP(E) would increase by the value of output. It is assumed that estimates of other sectors' output already include sales of products to NPIs for use as IC, so no upward adjustment is made that would balance the impacts on GDP(P) and GDP(E);
  - Application of conceptual adjustments for insurance service charges, taxes and subsidies on production, FISIM and informal property rental activity used new models that were derived;
  - Coherence adjustments were undertaken in comparing latest raw industry results against those from the previous year and other source data.

### ***Estimating financial services activity***

- Financial services activity in the Solomon Islands covers banking, credit unions, other credit institutions, and insurance services. The BS separately identifies all these sub-elements, though in the compilation system they are combined into 'financial services'- covering everything except insurance - and 'Insurance'. In recent years, estimates for both groups have been made in volume terms using deflated M3 money supply growth and then reflatd using the CPI. This approach ignored data available from the BS and from the CBSI, from which estimates of FISIM and non-FISIM (fees, commissions and charges, or 'FCC') activity could have been directly estimated for banks, credit unions and other credit institutions, as well as activities of the central bank, drawing also from insurance sector data, from which premiums, premium supplements and reinsurance could have been collated. These data have been employed and allows measures to be put in place that move towards the 2008 SNA practice. Hence, new models for banks, credit unions and institutions and insurance have been inserted directly into the annual templates under the respective industry tables. Compilation of estimates involved following:
  - Banks' FISIM data was only readily available on a net basis, and thus this could not allow a 2008 SNA reference rate approach to be implemented, though the model could be updated easily should separate data on loans and deposits, plus the inter-bank lending rate be provided. FISIM is supplemented by FCC (fees, commissions and charges) estimates derived partly from the BS for non-bank, non-credit union institutions (ISIC Rev. 2 category J13), plus information from the CBSI Quarterly

Reports for banks' FCC value-added. Estimates of FCC value-added for commercial banks and central bank rely on estimates from CBSI's quarterly and annual reports. The latter source details non-FISIM revenues and employment and non-employment costs; these were used directly for the central bank for which no FISIM income was recorded and IC, capital consumption and COE derived by indirectly applying proportions to non-FISIM income for commercial banks;

- Credit union activity was calculated using CBSI data only for FISIM and FCCs available from 2013 onwards;
- Insurance activity should measure the net return to providers, accounting for premiums earned, premium supplements accruing to policy-holders and adjusted claims paid. Alongside commercial insurers there is the Solomon Islands National Provident Fund (SNPF). Data is available in the CBSI Quarterly and Bi-annual reports, from which estimates of output and IC can be derived. Commercial insurers and the SNPF are also covered by the BS, but recorded values are much higher, suggesting that claims paid is included under IC rather than as part of output calculations. The new approach uses the CBSI data to estimate output, as premiums earned plus premium supplements less premiums paid plus other income. IC was simply recorded as 'management expense' and net operating surplus was recorded simply as 'net profits before tax' - (recorded values for reinsurance are netted off; they could instead be included both in output and IC but would have no impact on GVA). Next, final imputed values for capital consumption from the BS results were derived to finally calculate COE as output less IC less capital consumption less NOS. Estimates for the SNPF from the BS are very similar to those presented in the CBSI tables; the BS values for output, IC, COE, capital consumption and NOS are used and added to respective values for the commercial insurance sector.

### ***Estimating government production, expenditure; tax revenue***

- The previous approach to estimating government production uses overall government final consumption expenditure (GFCE) and assumes expenditure on health, education, police, public administration and other government services remain in constant proportion. This was imprecise in nominal terms as patterns have shifted and the use of distinct deflators also had implications on volume estimates. Only import duties were explicitly measured as an adjustment line in the final GDP tables, with other production taxes implicit within industry estimates. The quality of the tax data captured by the BS have been understated as only some of these taxes appear to be captured;
- Government activity in Solomon Islands comprises central, provincial and local government services. However, GFS data did not present explicit information on local government services and was limited to overall expenditure on provincial services. Nevertheless, direct and indirect updates on estimates were made using GFS data for central government recurrent and development. Expenditure by industry was updated directly while indirect updates were made for classifications of function of government (COFOG) markers and provincial government by industry, using overall provincial expenditure with allocations across industries as well as using central government provincial grant information by stated purpose. GFS analysis also provided updated estimates of GFCF by asset type and detailed information on tax revenues by type of tax;
- CBSI has changed its presentation of GFS estimates in recent years, which slowed analysis and required inconsistencies to be resolved, but it is expected that the current GFS presentation will continue in the foreseeable future. For COE and IC expenditure, the CBSI should produce such estimates directly in its annual GFS compilation work for central government recurrent and development expenditure and provincial government. For taxation revenues, the CBSI should be

requested to provide a breakdown in the various types. Expenditure by COFOG was not available for provincial government, though again this should be progressed with the CBSI.

### ***Mining and quarrying***

- A specific adjustment had been applied to improve estimates for the mining and quarrying industry. Under the 2008 SNA, any mineral exploration work, treated also as intellectual property, should be recorded as GFCF rather than IC, regardless of the degree of success<sup>1</sup>. Various firms in the Solomon Islands have reported large IC values and zero output to the BS in recent years, suggesting that exploration work had been undertaken. However, this had not been fully considered at least in part due to a natural focus on the volatile activity of the main gold mine operator, which peaked and collapsed in 2012-14;
- The 2008 SNA notes that all exploration IC should be recorded as GFCF. The wording is brief, however, and the full intent is better understood within a Supply and Use, Input/Output perspective. The statement does not mean that, in the BS, all IC recorded by mining firms with no corresponding output should be reallocated to GFCF. Rather, it means all exploration IC should be matched by an imputed value of output for each such firm, which is, in turn consumed by that same firm as GFCF: it is the firm investing in its future, and it cannot do so if there is no resource available to be used as an intangible asset. To meet this concept, BS for mining firms reporting positive IC but zero output, implied imputing output as equal to IC plus COE plus capital consumption and setting GFCF (in 'other' assets) as equal to IC. The additional GFCF was then included in GDP by expenditure (GDP(E)) as intangible investment to ensure a balanced treatment of the concept.

### ***Other related calculations***

- As described earlier, taxes have been under-recorded in previous estimates and were an area of confusion. Respondents to the BS are instructed to record various taxes paid, including sales taxes and import duties, though the results do not tally well with government tax receipts in the GFS files. In templates produced in 2004-2006, efforts were made to compare BS and GFS tax data by industry to work out the missing residuals, which were then allocated proportionately across industries. The approach took industry specific taxes excluding import duty from the GFS files. It then used the GFS totals for such taxes to scale the BS figure and apportioned the required adjustment across all industries. Finally, the model added on estimated sales tax by industry, constrained to the GFS total – this is a significant element of production taxes but it appears to have been ignored in recent years' estimates. The approach has been revived but adjusted to include only missing sales tax.

### **1.2.3 GDP BY EXPENDITURE**

GDP estimated from the expenditure approach is basically compiled as the sum of all final expenditures (household final consumption expenditure (HFCE), final consumption expenditure of NPISHs, government final consumption expenditure (GFCE), gross fixed capital formation (GFCF)) and net-exports of goods and services.

GDP by expenditure estimates required less compilation work compared to GDP by production, and the process had been changed far less. However, some key updates are discussed to reflect the changes in more detail, especially by consumption component.

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<sup>1</sup> 2008 SNA, paragraph 6.231.

### ***Household final consumption expenditure***

By far the largest single component of GDP(E) on the 2012/13 HIES found that there were much higher levels of informal production; consumption in 2012 was than predicted by extrapolations from the 2005/06 HIES. The increases centered on agriculture and fishing, as well as additional consumption of processed food and other manufactured goods. As before, estimates following the benchmark year had been extrapolated using population and price changes and have been refined in some instances. For example, volume change in subsistence food production now uses the rural population growth rate rather than the overall rate while estimates for food given (comprising own-production and purchased items<sup>2</sup>) have now been included.

#### *Estimating informal sector activity*

- As noted earlier, while work on estimating the informal sector production by households and updating of owner-occupied dwellings (OOD) and related construction, extended updates were undertaken in revising the gross fixed capital formation (GFCF) within an integrated model. GFCF totals and some sub-totals were originally derived from the BS, GFS and imports data but in recent years only imports data had been updated with other elements estimated using growth rates of prior series. Using the latest BS and GFS data produced implausible results with previous assumptions, and so these were reviewed and revised.

The model splits GFCF into three asset classes: construction, vehicles, and machinery and equipment, and in each of these classes sub-estimates are made for the formal private sector (via the BS), government (GFS), NPIs (extrapolated in the absence of data), and households (using the HIES/extrapolation). Imports data initially informed the overall splits by asset type. Following that: construction GFCF was estimated using assumptions about sales mark-ups, labor costs and the proportionate use of local materials to imports. Added to this is the recorded GFCF on structures from the BS and GFS data to estimates of informal dwellings construction and NPI investment; the residual was then added to the BS figure to ensure consistency with the total, on the assumption of over/under-estimation.

Vehicles GFCF is estimated at the top level from recorded vehicle imports. Estimates for GFCF in vehicles from the BS, GFS data and by informal transport providers and NPIs are taken as given; the residual is then added to the BS result to ensure consistency.

Other machinery and equipment were estimated by adding a 10 percent trade mark-up to import values for machinery and transport equipment and then deducting vehicle import values. Again, relevant GFCF values from the BS, GFS data, the informal sector and NPIs and the residual was added to the BS result to ensure consistency.

### ***Government final consumption expenditure***

Estimates of GFCE are now based on updated GFS data as discussed earlier in the production section.

### ***NPISH final consumption expenditure***

This remains perhaps the weakest area of GDP(E) with little recent data to aid benchmarking. SINSO surveys NPIs separately to the business survey but recent years' results have not been usable, mainly due to quality and low response rates. In the present sets of estimates, NPIFCE in nominal and real terms are purely forecasted from 2004 NPI nominal survey values using population and CPI series with splits in activity into the following categories: Research and scientific services, Education services, Health services, Welfare, Recreational, cultural and related services, Religious services, Professional, labor and civic services, and Miscellaneous services. As noted earlier, on the production

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<sup>2</sup> Estimates of the value of gifts given by the purchasers is assumed to be more accurate than valuations of gifts by those receiving them.



side, NPI estimates were previously produced for Health and Education allowing for mismatches in coverage and thus updates have been made to begin broadening this category.

### ***Gross capital formation***

Because of the heavy use of historical extrapolation to update the model in recent years, asset and sector estimates had moved out of step with actual source data. Using the latest BS and GFS investment values by asset type, which dominate overall GFCF, implausible large positive and negative residuals were generated. As the residuals largely cancelled out in total each year, it was assumed to relate to the misclassification of some imports. For example, certain ‘machinery and equipment’ imports were being recorded as ‘construction’ imports, and so an additional set of three adjustment cells were added under the investment calculations that allowed neutral switches to be applied to each of the three categories to reduce the absolute values of the residuals.

GFCF has now been reviewed and made as consistent as possible with data from the BS, GFS and CBSI trade releases. In addition, estimates of GFCF in mineral exploration have been estimated from the raw BS data. These increased GFCF by around SBD \$200m on average in nominal terms especially after 2012. While production estimates from the BS included changes in inventories, previous estimates of GDP(E) did not. In theory, GDP(P) and GDP(E) should balance and thus this conceptual difference had been addressed by including imputed estimates of changes in inventories.

### ***Changes in inventories***

Changes in inventories were very difficult to impute accurately, and the high non-response rates, data quality and previous method of imputation produced some unrealistic results. Some are the result of some miscalculations while others are due to the movement of growth rates from similar businesses. The updated estimates are now based on the BS for years from 2012 forward. The imputations, and actual results required very careful analysis before being incorporated into the GDP estimates.

### ***Trade in goods and services***

Estimates of imports and exports of goods and services have been produced in almost the same way as in the previous approach, using data from the CBSI and SINSO at a fairly high level to constrain the more detailed product group-level data required to feed into various areas of production and expenditure. As in the previous approach and as referred to in part above, adjustments had been applied to particular elements from 2012 onwards to ensure plausibility and consistency within and between GDP(P) and GDP(E).

## **1.3 GDP BALANCING AND HISTORICAL LINKING**

Once new annual nominal benchmarks for GDP(P) industries and GDP(E) consumption components had been established, a review of year-on-year levels and overall growth rates, and discrepancy values was undertaken including various adjustments to improve coherence with external information.

Coherence adjustments were generally applied to GDP(P) and were minimal in relation to respective industries and the economy as a whole, though there were quite large for logging in several years. This suggests potential issues with logging as reported in the BS, perhaps because of the industry being very concentrated (few key producers), which makes non-response imputation subject to high levels of

uncertainty.<sup>3</sup> The coherence adjustments applied to GDP(E) impact mainly on trade in services and are again small in relation to trade elements and either imports or exports as a whole.

No rebalancing had been carried out on estimates from 2003 to 2011 – previous current and constant price growth rates for all published series have been linked on to the new 2012 levels, which maintains economic trends as published but means data are non-additive until 2012 onwards. Rebased the economy all the way back to 2003 using the industry structure in 2012 not only would require a very large amount of extra work but lacks economic grounds, as the economy in the earlier years had quite a different structure, so imposing much more current weights would likely reduce accuracy. Users are also cautioned in terms of the historical linkages in the GDP time series data as to their own specific needs and where it relates to implications of structural breaks due to rebasing.

The adjustments were intended to maintain similarities with historical trends where no new information necessarily contradicts past levels and growth. However, for the industries described above that have been estimated using extrapolation and proportions, particularly much of the service sector, there were changes, as should be expected by making better use of available data.

Efforts will continue to be made as part of on-going development work in updating annual estimates within minimal statistical discrepancy or at least not exceeding 2 percent which has been achieved in the past and in new series in certain years, and is a good indication of the consistency of coverage and concepts.

The headline rate of real GDP growth from 2012 onwards has changed substantively, though is backed up by evidence at the industry/component level. In particular, while on one hand noting the period of restoration and stability by RAMSI from 2000 to mid-2017, on the other hand reflecting the impact of the closure of Gold Ridge mine and Cyclone Ita/severe flash flooding in Guadalcanal in 2014; the latter which was previously thought to have caused growth to be weakly positive, appears to have caused the economy to contract, allowing for manual upward adjustments to account for increased post-disaster construction activity. Growth towards 2017 are positive and though muted than previous estimates, the economy appears to have recovered with early signs of expansion. These changes reinforce the need to scrutinize the revisions with informed users in other agencies to ensure that any assumptions adopted are defensible.

## **2. DATA SOURCES**

The main data sources used in the compilation of the GDP include:

- Business Surveys (SINSO)
- Balance of Payments (CBSI)
- Bi-Annual Financial Stability Reports (CBSI)
- Government Finance Statistics (CBSI/SINSO)
- Government Finance (Finance and Treasury/MDPAC)
- Household Income and Expenditure Survey 2005/6 and 2012/13 (SINSO)
- International Merchandise Trade Statistics (SINSO/Customs)

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<sup>3</sup> Where an industry has high concentration – i.e. it consists of a small number of large producers, each may have a distinct pattern of production in any one year, so imputation for non-response can have wide margins of error compared to industries with low concentration – i.e. those with large numbers of mostly smaller producers.

- Inland Revenue Business Aggregate records (IRD, MOFT)
- National Consumer Price Index (SINSO)
- National Provident Fund Employment Data (SINPF)
- Non-Profit Institutions Survey (SINSO)
- Quarterly Economic Review (CBSI)
- Selected Volume and Price indexes (Various Sources/SINSO)
- 2009 Population and Housing Census (SINSO)

### 3. SHORT-MEDIUM TERM CHALLENGES

As further development work continues, a number of medium-long term challenges in the compilation of GDP and related national accounts aggregates include the following:

#### *On-going development work:*

- Scope for inclusion of new 2017 National Agriculture Survey data published in 2019;
- Updating estimates with forthcoming new 2019 Population and Housing Census data;
- Adjustment work for revisions to the ISIC classification from earlier ISIC Revisions to Revision 4 as recommended in the SNA 2008;
- Scope for proposed recommendations to use administrative tax data from Inland Revenue Division, MOFT;
- Regular annual and on-going updates including further adjustments to measuring NPI and data sources.

#### *Medium-Long term Challenges*

- As stated in earlier bulletins, the major challenge in the compilation of the annual GDP estimates is having a consistent and sustainable inflow of quality and reliable source data from other agencies and information sources. The SINSO has taken steps to address this such as in formalising data sharing arrangements with other agencies within the scope of the National Statistical Development Strategy (NSDS) 2015-16 to 2035;
- The current limited range of price and volume deflators also impacts on the quality of the GDP estimates. The SINSO continues to work towards improving the current deflators while exploring alternative measures including implementing similar efforts identified in the NSDS;
- Accessing more detailed and up-to-date version of the development budget data remains an on-going challenge. Plans towards addressing this and similar challenges have also been considered as part of the NSDS;
- Improving the quality and response rates of the Annual Business, Non-Profit Institutions and Employment Surveys including the business register continues to be progressed including considerations for legal prosecution of non-compliant enterprises. This also requires a review of the Statistics Act, particularly in enforcement and compliances, which is earmarked as one of the key activities of the NSDS;
- Strengthening the coordination and collaboration with other key stakeholders on GDP-national accounts will continue to be progressed through resource sharing, networking, possible secondment arrangements identified within the scope of the NSDS.