

# MAJOR DATA SOURCES

- Bangko Sentral ng Pilipinas
- Bureau of Customs
- Bureau of Fisheries and Aquatic Resources
- Commission on Audit
- Department of Agriculture
- Department of Budget and Management
- Department of Energy
- Department of Environment and Natural Resources
- Department of Public Works and Highways
- Department of Science and Technology
- Department of Tourism
- Department of Transportation
- Mines and Geosciences Bureau
- National Food Authority
- Philippine Racing Commission
- Public-Private Partnership
- Security and Exchange Commission
- Sugar Regulatory Board
- Tourism Infrastructure and Enterprise Zone Authority
- Philippine Statistics Authority



## PHILIPPINE STATISTICS AUTHORITY

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# USES OF GDP

The main objective of the SNA is to provide a comprehensive, conceptual and accounting framework that can be used to create a macroeconomic database suitable for analyzing and evaluating the performance of an economy.

## 1 MONITORING THE BEHAVIOR OF THE ECONOMY

GDP and GDP per capita are widely used as summary, global indicators of economic activity and welfare by analysts, politicians, the press, the business community and the public at large. Movements of GDP and GDP per capita, and their associated price and volume measures, are used to evaluate the overall performance of the economy and to assess the relative success or failure of economic policies pursued by government.

## 2 MACROECONOMIC ANALYSIS

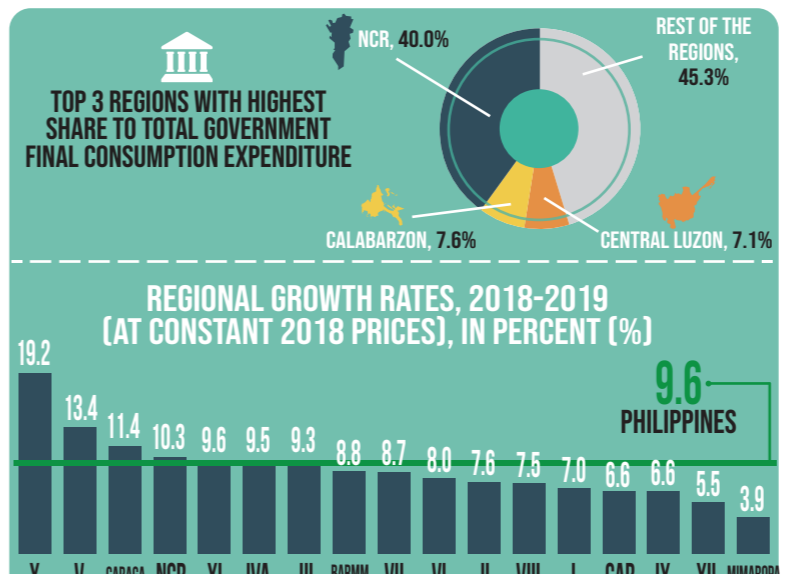
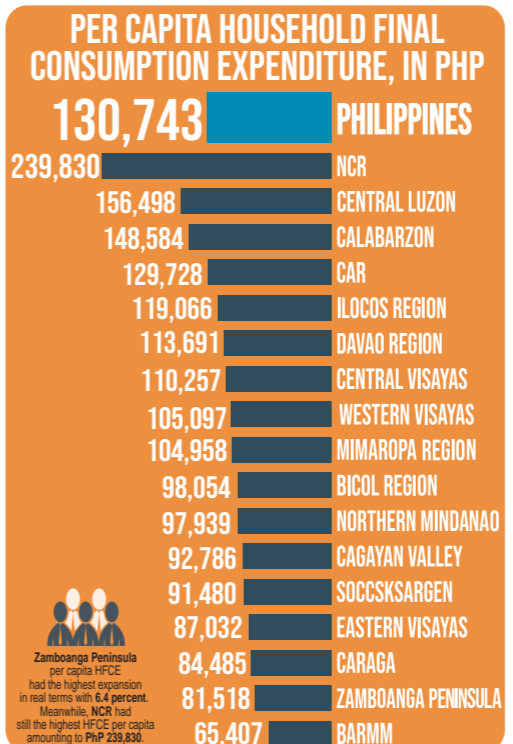
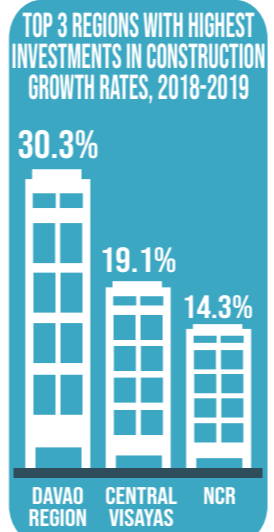
National accounts are also used to investigate the casual mechanism at work within an economy. Economic policy making and decision-taking take place at all levels of government and also within public and private corporations. Large corporations such as multinationals have the ability to build their own macroeconomic models tailored to their own requirements, for which they need national accounts data.

## 3 INTERNATIONAL COMPARISON

The System of National Accounts (SNA) is used for international reporting of national accounts data that conform to standard, internationally accepted concepts, definitions and classifications. The resulting data are used for international comparisons of the volumes of GDP and GDP per capita and also for comparisons of structural statistics, such as ratios of investment, taxes or government expenditures to GDP. Such comparisons are used by economists, journalists or other analysts to evaluate the performance of one economy against that of other similar economies.

# 2019 GROSS REGIONAL DOMESTIC EXPENDITURE

Gross Regional Domestic Expenditure (GRDE) is defined as the expenditure of residents of the region in the domestic territory plus their expenditures in other regions including the rest of the world.



# GROSS DOMESTIC PRODUCT

EXPENDITURE APPROACH

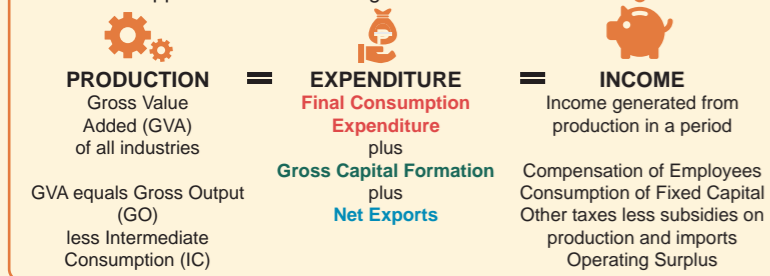


As of October 2020



# GROSS DOMESTIC PRODUCT

GROSS DOMESTIC PRODUCT (GDP) is the total value of all final goods and services produced within the economy in a given time. The THREE approaches in measuring GDP are:



## FINAL CONSUMPTION EXPENDITURE

Total final consumption in the economy is defined from expenditure side as the total value of all expenditures on individual and collective consumption of goods and services incurred by resident households, resident non-profit institutions serving households (NPISHs) and general government units.

### HFCE HOUSEHOLD FINAL CONSUMPTION EXPENDITURE

Household final consumption expenditure consists of expenditure incurred by resident households on consumption of goods or services. This includes the estimated value of barter transactions, goods and services received in kind and goods and services produced and consumed by the same household.

**HOUSEHOLD** is defined as a group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food. It includes both individual and institutional households.

**INSTITUTIONAL HOUSEHOLDS** are persons living permanently in an institution, or who may be expected to reside in an institution for a very long or indefinite period of time, are treated as belonging to a single institutional household when they have little or no autonomy of action or decision in economic matters.

#### Classification of Household Expenditure by Purpose

- Food and non-alcoholic beverages
- Alcoholic beverages, tobacco
- Clothing and footwear
- Housing, water, electricity, gas and other fuels
- Furnishings, household equipment and routine household maintenance
- Health
- Transportation
- Communication
- Recreation and culture
- Education
- Restaurants and hotels
- Miscellaneous goods and services

### GFCE GOVERNMENT FINAL CONSUMPTION EXPENDITURE

Government final consumption expenditure is the value of all types of output of general government, less the value of output for own account capital formation, less the value of sales of goods and services, plus the value of goods and services purchased from market producers for delivery to households free or of insignificant prices.

**GENERAL GOVERNMENT** is an institutional unit of legal entities established by political processes that have legislative, judicial or executive authority over other institutional units.

#### Classification of Functions of Government

- Collective Services:**
- 01 General public services
  - 02 Defense
  - 03 Public order and safety
  - 04 Economic affairs
  - 05 Environmental protection
  - 06 Housing and community amenities
- Individual Services:**
- 07 Health
  - 08 Recreation, culture and religion
  - 09 Education
  - 10 Social protection

# GROSS CAPITAL FORMATION

GROSS CAPITAL FORMATION (GCF) is measured by the total value of the gross fixed capital formation, changes in inventories and acquisitions less disposals of valuables. GROSS FIXED CAPITAL FORMATION is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain specified expenditure on services that adds to the value of non-produced assets.

## CNS CONSTRUCTION

Construction as capital formation refers to gross value or the total costs/expenditure incurred from all new construction, addition, alteration and major repair. It includes own account construction by industries and cost of installation of equipment and machines integral to the buildings. Acquisition cost of land is excluded but the transfer cost of land is included.

**CONSTRUCTION** refers to general construction and specialized construction activities for buildings and civil engineering works. It includes new work repair, additions and alterations, erection of prefabricated buildings or structures on the site and construction of a temporary nature.

#### Classification of Construction

- General government
- Financial and non-financial corporations
- Household and non-profit institutions serving households

## DE DURABLE EQUIPMENT

Investment on durable equipment refers to the total costs/expenditure on the acquisition of machinery and equipment which includes costs associated in the acquisition such as dealer's margin, installation cost and custom duties and outlays on improvements and alterations that significantly increase the productivity and expected life of machinery and equipment. It excludes consumer durables, parts of machinery and equipment for repair, and small-inexpensive tools.

**DURABLE EQUIPMENT** are machinery and equipment that are used repeatedly or continuously in production processes for more than a year. These can be acquired through purchase on the market, capital transfer or through own production.

#### Major Types of Durable Equipment

- Specialized machinery for particular industries
- Transport equipment
- General industrial machinery and equipment
- Miscellaneous durable equipment

## BSOD BREEDING STOCKS AND ORCHARD DEVELOPMENT

Capital formation on breeding stocks and orchard development refers to all costs/expenditures on cultivated biological resources that cover animal resources yielding repeat products and tree, crop and plant resources yielding repeat products whose natural growth and regeneration are under the direct control, responsibility, and management of institutional units.

**BREEDING STOCKS** are outlays less disposals of producing units on animals purchased and raised as livestock for breeding, dairy animals, poultry for breeding, draft animals, animals reared for wool production and animals used for transportation, racing, or entertainment.

**ORCHARD DEVELOPMENT** consist of the value of the acquisitions less disposals of mature trees, shrubs and vines produced on own account for fruits & nuts, sap & resin, and bark & leaf products. It includes all costs of investments until the tree reaches maturity and starts to yield a product.

## IPP INTELLECTUAL PROPERTY PRODUCTS

Investment on intellectual property products refers to all costs/expenditure on intangible fixed assets which are the result of research, development, investigation or innovation leading to knowledge that the developers can market or use to their own benefit in production.

**INTELLECTUAL PROPERTY PRODUCTS'** key characteristics are typically unique but reproducible, often produced on own-account, not subject to wear and tear like conventional assets and readily reproduced with minimal physical production cost.

#### Types of Intellectual Property Products

**RESEARCH AND DEVELOPMENT (R&D)** consists of the value of expenditures on creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and use of this stock of knowledge to devise new applications.

**MINERAL EXPLORATION AND EVALUATION** consists of the value of expenditures on exploration for petroleum and natural gas and for non-petroleum deposits and subsequent evaluation of the discoveries made.

**COMPUTER SOFTWARE AND DATABASES** consist of computer programs, program descriptions and supporting materials for both systems and applications software and files of data organized in such a way to permit resource-effective access and use of the data.

**ENTERTAINMENT, LITERARY OR ARTISTIC ORIGINALS (ELAO)** consists of the original films, sound recordings, manuscripts, tapes, models, etc., on which drama performances, radio and television programming, musical performances, sporting events, literary and artistic output, etc., are recorded or embodied.

## GIN CHANGES IN INVENTORIES

Changes in inventories are measured by the value of the entries into inventories less the value of withdrawals and less the value of any recurrent losses of goods held in inventories during the accounting period.

**INVENTORIES** are produced assets that consist of goods, which came into existence in the current period or in an earlier period, and that are held for sale, use in production or other use at a later date.

#### Transactions in Inventories

**MATERIALS AND SUPPLIES** are goods held in stock or purchased by producers with the intention of using them as intermediate inputs into production.

**WORK-IN-PROGRESS** are outputs produced by an enterprise that is not yet finished and has not reached the state in which it is normally supplied to others.

**FINISHED GOODS** are goods produced as outputs which are ready for sale, but not yet sold and are not intended to be processed further before supplying to other institutional units.

**GOODS FOR RESALE** are goods acquired by enterprises (wholesalers and retailers) for the purpose of reselling them to their customers without processing further, except to make them more attractive to their customers.

**MILITARY INVENTORIES** are single-use items, such as ammunition, missiles, rockets, bombs, etc., delivered by weapons or weapons systems.

## VALUABLES

Acquisition less disposal of valuables refers to the total costs/expenditure on the net acquisition of valuables including all costs associated with its acquisition such as cost of ownership transfer.

**VALUABLES** are produced goods of considerable value that are not primarily for purposes of production or consumption but are held as stores of value over time.

#### Types of Valuables

- Precious stones and metals
- Antiques and other art objects
- Other Valuables

# NET EXPORTS

Net exports is derived as the difference of total exports of goods and services and total imports of goods and services.

## EXPORTS AND IMPORTS OF GOODS

**EXPORTS OF GOODS (EOG)** consist of sales, barter, or gifts or grants, of goods from resident to non-residents, while **IMPORTS OF GOODS (IOG)** consist of purchases, barter, or receipts of gifts or grants, of goods by resident from non-residents. EOG and IOG are valued at free on board (fob) which includes the costs of transportation and insurance up to the boarder of the exporting country.

In accordance with the change of ownership principle, the following transactions are excluded:

- 1) Goods in transit;
- 2) Transportation equipment and other movable kinds of equipment which enter a country without change of ownership;
- 3) Equipment and other goods which are sent abroad for minor processing, maintenance, servicing, or repair;
- 4) Other goods which enter a country temporarily, being generally returned in their original state and without change of ownership;
- 5) Goods shipped from a country's own embassies, military bases or other enclaves which are geographically situated inside the national frontiers of another country; and
- 6) Goods on consignment lost or destroyed after crossing a frontier but change of ownership occurs.

#### Major Exports of Goods

- Semiconductors
- Electronic Data Processing
- Ignition Wiring Sets
- Metal Components
- Control Instrumentation

#### Major Imports of Goods

- Semiconductors
- Transport Equipment
- Electronic Data Processing
- Machinery and Mechanical Appliances
- Mineral Fuels

## EXPORTS AND IMPORTS OF SERVICES

**EXPORTS OF SERVICES (EOS)** and **IMPORTS OF SERVICES (IOS)** are recorded when there is a change of economic ownership from a unit in one economy to a unit in another country. It covers transactions between residents and non-residents and also referred to as International Trade in Services. Data on services are usually obtained from payments records or surveys.

#### Main Components of Services

**TRANSPORT** is the process of carriage of people and objects from one location to another as well as related supporting and auxiliary services. Also included are postal and courier services.

**INSURANCE AND PENSION SERVICES** include services of providing life insurance and annuities, non-life insurance, reinsurance, freight insurance, pensions, standardized guarantees, auxiliary services to insurance, pension schemes, and standardized guarantee schemes.

**TRAVEL** covers goods and services for own use or as give-away after acquiring these from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use or as give-away when acquired from other economies by residents during visits to these other economies.

**GOVERNMENT GOODS AND SERVICES** n.i.e. cover: (a) goods and services supplied by and to enclaves, such as embassies, military bases, and international organizations; (b) goods and services acquired from the host economy by diplomats, consular staff, and military personnel located abroad and their dependents; and (c) services supplied by and to governments and not included in other categories of services.

**MISCELLANEOUS SERVICES** include: communication services, construction services, computer and information services, other business services, royalties and license fees, other personal, cultural and recreational services, maintenance, and repair services provided by residents to non-residents.