



**Solomon Islands Government**

**“ERRATUM”**

**Statistical Bulletin: 02/2011**

**GROSS DOMESTIC PRODUCT  
2005 - 2009**

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## **ERRATA**

An error has been identified in the recent release of the Statistical Bulletin: 02/201: Gross Domestic Product, 2005-2009 and subsequently corrected. In addition, forthcoming information meant that partial retractions and additions to the publication have been made.

Erratum to the following Tables include:

- Table A1. Gross Domestic Product (GDP) and per capita GDP, on page 3
- Table A2. Revisions to GDP, on page 3
- Table 1. Gross Domestic Product (GDP) by Economic Activity-Current and Constant Prices (SI\$ millions), on page 4
- Table 2. Gross Domestic Product (GDP) by Expenditure Share-Current and Constant Prices (SI\$ millions), on page 5

Partial revisions and inclusions in the text include the following:

- Fifth paragraph, Introduction section, page 2
- Sixth paragraph in Introduction section, page 2
- Fourth paragraph in Appendix I – GDP by Production, page 8

Apart for changes in page numbering, all other Tables and text remain unchanged.

## INTRODUCTION

This publication is the third set of Gross Domestic Product (GDP) estimates to be released since the first GDP estimates (Statistical Bulletin 13/2007) was published in 2007. The second set of GDP estimates (Statistical Bulletin 16/2008) was published in 2008. Following from the second edition, this edition contains the main aggregate estimates of GDP for the years 2005-2009.

In this edition, the 2005 to 2007 estimates have been revised while the 2007 to 2009 figures are provisional. As in the second edition, careful consideration was taken in the compilation of the estimates in view of the limited range of available data sources and data quality issues. The GDP estimates at current and constant 2004 prices have been derived using various volume and price indicators. The revised and provisional estimates followed similar methodology applied in the second publication. On-going updates and revisions will be made pending final results of the 2009 Population Census, the proposed Household Income and Expenditure Survey for 2011/2012 and other survey and data collection operations.

The current estimates benefited from the technical assistance provided by the IMF's Pacific Financial Technical Assistance Centre (PFTAC).

In the compilation of GDP estimates, the framework of the United Nations System of National Accounts (SNA) is closely followed. It is important to note that other government departments such as the Department of Finance and Treasury, and the Central Bank of Solomon Islands also compile main GDP aggregates on a more frequent basis for their own internal use such as budgetary and forecasting purposes. The Statistics Office is the central government agency for official statistics and is mandated to compile and disseminate GDP estimates without due influence from any other agency or person. However, the Statistics Office coordinates with other agencies with respect to data requirements.

Table A1 shows summary information on the provisional GDP and per-capita GDP estimates with a companion Table A2 which shows the size of the revisions to GDP. A key feature of the GDP series is the significant contribution to growth induced by the Regional Assistance Mission to the Solomon Islands (RAMSI). Although recent data on RAMSI Participating Police Force (PPF) has been forthcoming, comprehensive information from the Development Budget on the whole of RAMSI and other donors' expenditure is insufficient to accurately estimate their contribution to GDP.

A review of the national accounts conceptual treatment of final use or consumption of service by the PPF residing at the Henderson military base (GBR) was based on the fact that the military base is an enclave of foreign governments (Australia, New Zealand, other Pacific Island Forum Countries). The base is fenced and is thus clearly demarcated within Solomon Islands. PPF and military personnel based there are not fully governed by Solomon Island laws. Hence, the treatment of the PPF, particularly personnel residing within the military compound, is consistent with the treatment of accounts for the foreign military force also based at the GBR. This conforms with the definition of "enclaves of foreign governments" [refer to Balance of Payments Manual (BPM6) paragraphs 4.5 (e) and 4.123 as well as SNA 2008 paragraph 4.10]. Since the base is an enclave of foreign governments, it is a non-resident institutional unit, and the residency status of individual PPF Officers accommodated therein are also classified as such [SNA 2008, paragraph 4.154]. This treatment excludes PPF advisers and personnel residing outside the Henderson military base who usually demand goods and services provided locally (e.g., renting of residential property).

Tables 1 to 6 present the detailed GDP and related estimates from 2005 to 2009. Information on data issues, limitations and data sources are discussed in the methodological summary in Appendix I.

**Table A1. Gross Domestic Product (GDP) and per capita GDP**

	Current Prices					Constant 2004 Prices				
	2005r/	2006r/	2007r/	2008p/	2009p/	2005r/	2006r/	2007r/	2008p/	2009p/
GDP in SI\$ million	3,351	3,684	4,212	4,729	4,931	3,123	3,287	3,511	3,693	3,655
Growth Rate in Percent (%)	22.8%	9.9%	14.3%	12.3%	4.3%	14.4%	5.3%	6.8%	5.2%	-1.0%
Per Capita GDP in SI\$	6,395	6,725	7,355	7,900	7,880	6,229	6,557	7,004	7,365	7,290
Growth Rate in Percent (%)	17.5%	5.2%	9.4%	7.4%	-0.3%	14.4%	5.3%	6.8%	5.2%	-1.0%
GDP in US\$ million	445	484	489	492	465	415	432	461	485	480
Growth Rate in Percent (%)	22.1%	8.8%	1.0%	0.6%	-5.6%	13.7%	4.2%	6.8%	5.2%	-1.0%
Per Capita GDP in US\$	849	884	854	822	743	791	789	842	886	877
Growth Rate in Percent (%)	16.8%	4.1%	-3.3%	-3.8%	-9.7%	8.8%	-0.3%	6.8%	5.2%	-1.0%
Household Final Consumption Expenditure	2,137	2,390	2,684	3,170	3,465	1,998	2,117	2,288	2,379	2,475
Per Capita HFCE in SI\$	4,077	4,363	4,899	5,786	6,324	3,813	3,865	4,177	4,343	4,517
Monthly Per Capita HFCE in SI\$	340	364	408	482	527	318	322	348	362	376
GDP excluding Development Budget	2,981	3,227	3,766	4,282	4,563	2,778	2,894	3,155	3,388	3,421
Growth Rate in Percent (%)	12.1%	8.3%	16.7%	13.7%	6.6%	4.5%	4.2%	9.0%	7.4%	1.0%

r/ - revised estimates

p/ - preliminary estimates

**Table A2. Revisions to GDP**

GDP in SI\$ million	(489)	(450)	(296)	-	-	(538)	(448)	(324)	-	-
Growth Rate in Percent (%)	-14.0%	2.3%	5.3%	-	-	-15.9%	3.2%	4.1%	-	-

### **Symbols used**

- 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) by Economic Activity - Current and Constant Price Values (SIS\$ millions)**

	Current Prices (SIS\$ Million)					Constant 2004 Prices (SIS\$ Million)				
	2005r/	2006r/	2007r/	2008p/	2009p/	2005r/	2006r/	2007r/	2008p/	2009p/
<b>AGRICULTURE, FISH &amp; FORESTRY</b>	<b>1,048.1</b>	<b>1,153.4</b>	<b>1,276.9</b>	<b>1,460.1</b>	<b>1,585.8</b>	<b>1,010.6</b>	<b>1,064.1</b>	<b>1,114.5</b>	<b>1,231.6</b>	<b>1,215.9</b>
Agriculture & Hunting	585.3	648.7	723.5	900.7	1,012.5	551.5	573.9	604.1	647.2	687.5
Forestry & Logging	294.7	300.0	347.0	377.1	337.5	258.9	262.5	296.5	332.4	276.5
Fishing	168.1	204.7	206.5	182.4	235.8	200.3	227.7	213.9	252.0	251.9
<b>INDUSTRY</b>	<b>265.6</b>	<b>230.0</b>	<b>383.6</b>	<b>482.3</b>	<b>514.4</b>	<b>198.6</b>	<b>206.8</b>	<b>231.3</b>	<b>261.3</b>	<b>264.6</b>
Mining & Quarrying	5.8	8.3	12.3	28.9	36.1	6.5	6.2	8.0	15.6	18.6
Manufacturing	166.1	113.8	238.8	296.0	318.6	105.1	108.6	119.5	128.6	131.7
Electricity & Water	45.8	52.2	56.7	51.6	53.4	52.1	53.0	59.3	60.4	59.4
Construction	47.9	55.6	75.8	105.9	106.2	35.0	38.9	44.5	56.7	54.9
<b>SERVICES</b>	<b>1,989.2</b>	<b>2,279.4</b>	<b>2,528.1</b>	<b>2,760.9</b>	<b>2,800.3</b>	<b>1,883.5</b>	<b>1,995.5</b>	<b>2,143.3</b>	<b>2,170.3</b>	<b>2,141.4</b>
Trade	377.4	377.9	402.6	416.8	455.5	335.4	338.4	381.2	408.9	408.5
Hotel & Restaurants	47.3	70.1	74.3	77.8	80.6	60.9	63.7	67.5	70.7	68.3
Transport & Storage	197.2	210.4	246.5	301.9	315.4	202.7	204.5	230.3	247.1	246.8
Communications	83.4	99.2	114.8	122.8	121.4	72.2	83.7	96.0	100.8	99.6
Financial Intermediation	77.6	113.0	146.0	161.9	177.9	83.3	97.2	116.7	110.3	113.2
Insurance Services	13.2	36.3	46.9	52.0	57.1	26.7	31.2	37.5	35.4	36.3
Real Estate & Renting	242.6	252.7	265.2	280.3	292.1	239.3	249.3	259.8	270.7	282.1
Owner Occupied Dwellings	116.7	141.1	146.5	153.3	158.1	111.0	125.9	129.8	133.9	138.0
Business Services	26.9	27.1	31.6	37.9	40.0	22.0	23.3	25.2	25.8	25.4
Public Administration & Defense	448.8	530.5	561.7	590.8	523.1	409.8	440.5	455.3	419.4	366.6
Education	148.2	164.9	202.4	238.8	236.3	134.2	135.9	146.8	153.7	154.7
Health	72.0	94.9	97.9	120.0	136.0	61.2	71.8	61.5	51.7	53.4
Other Services	137.7	161.3	191.8	206.7	206.7	124.8	129.9	135.8	142.0	148.4
Taxes on Products less Subsidies	84.5	87.7	108.7	120.5	134.5	79.1	78.2	90.6	93.9	99.4
Less Imputed Bank Charges	(36.1)	(66.2)	(85.5)	(94.9)	(104.2)	(48.8)	(57.0)	(68.3)	(64.6)	(66.3)
<b>GROSS DOMESTIC PRODUCT (GDP)</b>	<b>3,351.3</b>	<b>3,684.2</b>	<b>4,211.9</b>	<b>4,729.0</b>	<b>4,930.8</b>	<b>3,123.1</b>	<b>3,287.5</b>	<b>3,511.4</b>	<b>3,692.5</b>	<b>3,655.0</b>
<b>GDP Excluding Development Budget</b>	<b>2,980.8</b>	<b>3,227.0</b>	<b>3,765.7</b>	<b>4,281.9</b>	<b>4,563.3</b>	<b>2,778.0</b>	<b>2,894.0</b>	<b>3,154.8</b>	<b>3,388.0</b>	<b>3,421.3</b>

r/ - revised estimates  
p/ - preliminary estimates

<b>Total Value Added</b>	<b>3,351.3</b>	<b>3,684.2</b>	<b>4,211.9</b>	<b>4,729.0</b>	<b>4,930.8</b>
<i>of which:</i>					
Formal Sector	1,466.5	1,531.8	1,874.5	2,087.5	2,145.8
General Government	620.6	746.5	815.8	899.4	847.3
Informal Sector	1,264.2	1,405.9	1,521.7	1,742.1	1,937.7
<i>of which:</i>					
Agriculture - cash crops	123.2	133.9	148.7	191.9	237.9
- home consumption	445.9	501.0	537.9	636.3	715.1
Forestry & Logging - monetary	4.9	5.8	6.0	6.7	6.1
- non-monetary	3.9	4.5	4.6	5.1	4.9
Fishing -monetary	53.4	56.8	57.3	56.7	71.9
- home consumption	71.9	77.1	78.8	82.2	99.7
Mining-alluvial gold production	2.2	2.5	3.8	7.0	10.2
Manufacturing - sawn timber, handicrafts, furnit	10.0	14.8	14.7	17.3	12.2
Construction -permanent structures	17.3	21.3	26.4	40.4	39.0
-traditional dwellings	5.4	5.8	6.2	6.8	7.4
Trade - monetary	32.0	35.6	38.4	45.4	50.3
Transport - Buses, taxis, OBMs, pickups	113.8	137.7	164.1	172.3	181.0
Owner-occupied -permanent dwellings	218.9	227.8	238.9	252.3	262.7
- rural traditional houses	22.4	23.5	24.9	26.5	27.8
Real Estate Rental Activity	68.3	77.5	80.5	84.2	86.8
Other Services	70.8	80.3	90.5	111.1	124.6
- Monetary	478.6	544.9	603.9	692.6	781.1
- Non-monetary	549.4	611.9	652.5	756.9	854.9

**Table 2. Gross Domestic Product (GDP) by Expenditure Share - Current and Constant Price Values (SI\$ millions)**

	Current Prices (SI\$ Millions)					Constant 2004 Prices (SI\$ Millions)				
	2005r/	2006r/	2007r/	2008p/	2009p/	2005r/	2006r/	2007r/	2008p/	2009p/
<b>Final Consumption Expenditure</b>	<b>3,573.1</b>	<b>4,040.2</b>	<b>4,527.9</b>	<b>5,136.1</b>	<b>5,502.2</b>	<b>3,323.0</b>	<b>3,537.2</b>	<b>3,822.7</b>	<b>3,887.7</b>	<b>4,030.4</b>
Expenditure	2,136.5	2,390.3	2,683.8	3,169.5	3,464.6	1,998.1	2,117.4	2,288.3	2,379.2	2,474.7
Households	156.3	180.1	191.3	208.9	205.8	141.8	148.5	155.4	162.7	170.4
Government Consumption Expenditure	1,280.4	1,469.8	1,652.7	1,757.6	1,831.8	1,183.1	1,271.3	1,379.0	1,345.8	1,385.3
<b>Gross Fixed Capital Formation</b>	<b>389.6</b>	<b>464.7</b>	<b>575.3</b>	<b>652.2</b>	<b>662.7</b>	<b>371.7</b>	<b>404.8</b>	<b>492.3</b>	<b>532.5</b>	<b>494.9</b>
Durable Equipment	210.5	257.3	339.3	331.6	335.8	206.8	221.2	282.4	265.0	235.9
Construction	179.1	207.4	236.0	320.6	326.9	164.9	183.6	209.9	267.5	259.0
<b>Change in Inventories</b>	<b>39.0</b>	<b>40.9</b>	<b>53.7</b>	<b>62.4</b>	<b>67.5</b>	<b>38.1</b>	<b>39.1</b>	<b>43.6</b>	<b>48.2</b>	<b>48.7</b>
<b>Exports of Goods &amp; Services</b>	<b>1,065.0</b>	<b>1,271.2</b>	<b>1,710.4</b>	<b>2,089.1</b>	<b>1,900.3</b>	<b>959.6</b>	<b>987.8</b>	<b>1,140.3</b>	<b>1,273.5</b>	<b>1,126.1</b>
Merchandise, f.o.b.	753.1	867.7	1,259.2	1,631.4	1,316.3	678.6	662.8	785.5	938.4	751.4
Services	311.9	403.5	451.2	457.6	584.0	281.0	325.0	354.8	335.2	374.7
<b>Less: Imports of Goods &amp; Services</b>	<b>1,683.2</b>	<b>2,006.8</b>	<b>2,745.3</b>	<b>3,165.2</b>	<b>3,013.4</b>	<b>1,501.1</b>	<b>1,606.1</b>	<b>1,993.1</b>	<b>2,059.7</b>	<b>1,860.7</b>
Merchandise, f.o.b.	1,408.8	1,489.3	2,004.9	2,267.1	2,176.6	1,256.5	1,191.9	1,455.6	1,475.2	1,307.8
Services	274.3	517.6	740.4	898.1	836.9	244.7	414.2	537.5	584.4	552.8
<i>Balance on External Goods and Services</i>	<i>(618.1)</i>	<i>(735.7)</i>	<i>(1,034.9)</i>	<i>(1,076.1)</i>	<i>(1,113.2)</i>	<i>(541.5)</i>	<i>(618.3)</i>	<i>(852.8)</i>	<i>(786.1)</i>	<i>(734.6)</i>
Statistical Discrepancy	(32.3)	(125.9)	89.9	(45.6)	(188.4)	(68.2)	(75.3)	5.5	10.2	(184.4)
<b>GROSS DOMESTIC PRODUCT</b>	<b>3,351.3</b>	<b>3,684.2</b>	<b>4,211.9</b>	<b>4,729.0</b>	<b>4,930.8</b>	<b>3,123.1</b>	<b>3,287.5</b>	<b>3,511.4</b>	<b>3,692.5</b>	<b>3,655.0</b>

r/ - revised estimates

p/ - preliminary estimates

**Table 3 Manufacturing Value Added at Current and Constant 2004 Prices**

	Current Prices (SIS Millions)					Constant 2004 Prices (SIS Millions)				
	2005r/	2006r/	2007r/	2008p/	2009p/	2005r/	2006r/	2007r/	2008p/	2009p/
Food manufacturing	71.5	79.6	106.7	128.8	138.1	66.9	69.1	81.1	83.2	82.6
Beverages & tobacco manufacturing	40.2	44.4	53.3	60.9	66.0	40.9	42.3	44.2	46.0	48.0
Wood products manufacturing	8.9	11.3	11.2	19.7	19.1	8.8	8.7	6.4	9.2	9.7
Printing and publishing	6.9	9.1	12.9	16.3	15.7	6.8	7.0	7.3	7.7	8.0
Chemicals and rubber manufacturing	7.0	7.5	9.5	12.1	11.4	6.8	7.5	8.6	11.0	10.6
Non-metallic products manufacturing	2.9	2.9	3.9	5.2	6.4	2.7	2.9	3.4	4.3	4.1
Metallic products manufacturing	6.6	7.4	9.3	13.6	14.4	6.0	6.6	7.6	9.7	9.4
Other manufacturing	22.0	24.7	30.1	38.4	41.3	21.2	22.1	22.8	25.9	26.4
<b>Total manufacturing</b>	<b>166.1</b>	<b>187.0</b>	<b>236.9</b>	<b>295.0</b>	<b>312.5</b>	<b>160.0</b>	<b>166.5</b>	<b>181.3</b>	<b>197.1</b>	<b>198.8</b>

r/ - revised estimates

p/ - preliminary estimates

**Table 4. Household and Population Projections**

	2003	2004	2005	2006	2007	2008	2009	2010
November population	488,396	510,532	533,672	557,860	583,145	609,576	637,204	666,085
End of period population	490,241	512,461	535,688	559,967	585,348	611,878	639,611	668,601
Annual average (used in NA compilation)	479,613	501,351	524,074	547,828	572,658	598,613	625,745	654,106
Annual rate of increase	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Rural population	410,867	429,115	448,174	468,079	488,869	510,582	533,259	556,944
Annual rate of increase-Rural	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Urban population	77,522	81,412	85,498	89,781	94,276	98,994	103,945	109,142
Annual rate of increase-Urban	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total households	78,771	82,655	86,734	91,019	95,521	100,250	105,219	110,440
Urban households	11,744	12,110	12,488	12,878	13,279	13,694	14,121	14,561
Rural households	67,028	70,545	74,246	78,142	82,242	86,557	91,099	95,878

Note: The figures are subject to revision pending final results of the 2009 Census and the proposed 2011/2012 Household Income and Expenditure Survey.



**Table 5. Household Final Consumption Expenditure**

	Current Prices (SIS Millions)					Constant 2004 Prices (SIS Millions)				
	2005r/	2006r/	2007r/	2008p/	2009p/	2005r/	2006r/	2007r/	2008p/	2009p/
Food	1,142	1,285	1,495	1,847	2,057	1,083	1,133	1,261	1,308	1,330
Beverages and tobacco	58	66	72	82	96	59	62	65	68	71
Clothing and footwear	36	43	47	49	55	36	37	39	41	43
Housing, water, electricity, gas and fuels	417	449	470	497	519	397	426	443	461	479
Furnishings, household equipment and routine maintenance	64	80	91	111	129	62	71	75	78	82
Health	48	56	61	64	68	43	45	47	49	51
Transport	170	201	219	261	285	146	163	171	179	187
Leisure, entertainment and culture	17	23	24	25	26	15	16	17	18	18
Education	97	104	109	119	111	87	91	95	100	104
Hotels, cafes and restaurants	20	23	25	32	37	19	20	21	22	23
Miscellaneous goods and services	68	59	71	82	86	50	52	55	57	60
<b>Total HFCE</b>	<b>2,137</b>	<b>2,390</b>	<b>2,684</b>	<b>3,170</b>	<b>3,469</b>	<b>1,998</b>	<b>2,117</b>	<b>2,288</b>	<b>2,379</b>	<b>2,448</b>

r/ - revised estimates

p/ - preliminary estimates

**Table 6. NPISH Final Consumption Expenditure**

	Current Prices (SIS Millions)					Constant 2004 Prices (SIS Millions)				
	2005r/	2006r/	2007r/	2008p/	2009p/	2005r/	2006r/	2007r/	2008p/	2009p/
Research and scientific services	4	5	5	7	7	4	4	4	4	5
Education services	51	55	58	64	59	46	49	51	53	56
Health services	11	14	15	16	16	10	11	11	12	12
Welfare services	8	10	12	13	13	8	8	8	9	9
Recreational, cultural and related services	29	40	42	44	46	27	28	29	30	32
Religious services	44	47	50	55	51	40	42	44	46	48
Professional, labour and civic services	8	9	10	12	14	7	8	8	8	9
Miscellaneous services	-	-	-	-	-	-	-	-	-	-
<b>Total NPISH FCE</b>	<b>156</b>	<b>180</b>	<b>191</b>	<b>209</b>	<b>206</b>	<b>142</b>	<b>148</b>	<b>155</b>	<b>163</b>	<b>170</b>

## APPENDIX I. METHODOLOGICAL SUMMARY

Details of GDP estimates by production and expenditure follow similar methods discussed in the previous (second) edition. Further information can be obtained from (Bulletin 16/2008). Hence, only a summary of the main data issues, limitations and data sources are discussed.

### I. GDP BY PRODUCTION

A 'benchmark' estimate for 2005 is based on the 2005 Business Survey (BS). Revisions for years to 2007 were limited due to a general lack of new data. However, in terms of external trade, the Balance of Payments (BOP) data were incorporated from 2006 to 2009 (a break in the BOP series occurs between 2005 and 2006).

Estimates of value added for the informal sector are based on benchmark estimates derived from the 2005/06 Household Income and Expenditure Survey (HIES). The estimates were extrapolated by population and price growth estimates. Population growth rates remain the same as used in the previous estimates, pending the final results of the 2009 population census.

As shown earlier, Table A2 presents the size of revisions to the nominal GDP estimates. Although a predominant feature of growth in GDP is influenced by RAMSI, there is insufficient information on RAMSI and other donors' expenditure from the Development Budget to derive accurate estimates of their contribution to GDP. Because there is significant doubt on the Development Budget's contribution to GDP, the values are shown explicitly in Table A1.

Tables 1 to 6 shows detailed GDP and related estimates. It is noted that the statistical discrepancy, the difference between GDP measured from the production and expenditure sides, has generally decreased from the preceding years. However, this does not reflect the extent of the quality of the source data. Some adjustments were made to estimates to improve the coherence of the estimates. On-going efforts by the SISO are needed to improve source data and further reduce the discrepancy in forthcoming revisions.

#### *Private Business Sector*

The estimates are based on the 2005 BS, with movements for other years derived from a combination of volume and price series, using all available indicator data. Because the response rate to the 2007 BS is inadequate, only partial results were used for some industries, for updating the gross value added (GVA) to output ratios. For those industries which incorporate the 2007 BS data, 2006 was estimated by smoothing the previous estimate between the two BS-based estimates.

Methodology issues identified and which remain unresolved (pending a major revision to incorporate revised population growth estimates based on the 2009 census and the planned 2010/2011 HIES), include:

- a. The methodology for estimating the output of the SINPF is currently the same as that of banks, i.e., output is estimated as the sum of actual fees and charges plus an estimate of "bank service charge" calculated as interest received less interest paid. The correct methodology is to calculate output as the sum of net premiums (i.e., contributions received less benefits paid) plus premium supplements (i.e.,

investment income from technical reserves, excluding holding gains). The correct methodology results in a much higher value added for the Solomon Islands National Provident Fund (SINPF).

b. Informal sector value added estimates and HFCE estimates are based on existing, official rates of population and household growth. The growth rates are based on growth between the 1999 census and the 2005/06 HIES. Specific informal sector and HFCE data requirements from both these surveys are limited. A census was conducted in November 2009 and a HIES is expected to follow from October 2010 to March 2011. These surveys will provide an opportunity to revise the household growth rates which will lead to major revisions to the national account series.

c. Estimation of the output of banks as recommended in the 1993 System of National Accounts standard of Financial Intermediation Services Indirectly Measured (FISIM) is not possible due to insufficient data (and capacity at SISO).

#### *Government non-market sector*

The revisions shown in Table A2 earlier are mainly due to the incorporation of a revised analysis of the Development Budget. The 2009 PFTAC mission did a simple analysis of the Budget data, but SISO counterparts subsequently completed a more comprehensive analysis, consistently applying Government Finance Statistics (GFS) classifications, etc. The SISO analysis of the Development Budget for 2005 and later years has been incorporated into this mission's estimates.

Efforts to obtain softcopies of relevant data on the Government's financial accounts have not been possible. Consequently, only summary analysis was undertaken from printed reports. The latest year's budget tables contain budget data for the current year, estimated actual data for the previous year and actual data for two years prior to the current year. The actual data were used up to 2007, estimated actual data for 2008 and budget data for 2009. The 2008 and 2009 estimates are, therefore, subject to revision.

In the previous edition, separate estimates for health and education and all remaining government non-market activities were included in the public administration industry. For the summary analysis the manual analysis followed the same structure. Because the analysis was manual, however, the classification expenditures between current and capital may not be completely accurate, another source for potential revision in future.

The accuracy of the estimates derived from the Development Budget is questionable and this situation has not changed. Efforts to identify projects that were actually implemented, and thereby enable occurrences of the same project in previous years to be eliminated from the Budget data was not feasible. New data incorporated in the estimation has been sourced from data been analysed into a GFS framework by SISO. The estimates remain weak.

## **II. GDP BY EXPENDITURE**

### *Household Final Consumption Expenditure (HFCE)*

The estimation of the HFCE follows similar approach in the previous publication. A variety of data sources and indicators were employed which include subsistence and informal sector production and other industry outputs from the production measure. The BOP data and price indexes from the CPI at

the sub-index level were also used. The growth in number of households by urban, rural or the national level was used as a volume measure at the last resort.

#### *Government Final Consumption Expenditure (GFCE)*

The GFCE was estimated at the same time the gross value added was calculated for non-market government services. The non-availability of readily formatted softcopy GFCE data for 2007 to 2009 meant that estimates were sourced from printed budget tables. Further revisions are necessary when available softcopy data are obtained and subsequently analysed within the GFS framework.

#### *External Trade in Goods and Services*

Apart from updating the data based on the SISO's trade bulletin for 2008 and provincial tables for 2009, data from the balance of payments (BOP) by the Central Bank of Solomon Islands (CBSI) were incorporated in the estimation. The BOP time series data are available from 2006 to 2009 with the 2005 data discontinued due to conceptual and methodological changes. A recent review of the BOP data is yet to be officially released.

### **III. DATA SOURCES**

The main data sources used in the compilation of GDP at current and constant 2004 prices are:

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