



St. Lucia Government Statistics Department



National Accounts

Sources and Method



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Dedicated To Those Whose Toils And Sweat Certainly Deserve Mention.

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Foreword

St. Lucia's National Accounts consist of a time series of Gross Domestic Product by Economic Activity and Expenditure in current and constant terms. Other indicators namely, Gross National Product and Gross Savings are generated as flows from the Balance of Payments statistics and Gross Domestic Product at factor cost and market prices.

The estimates that represent St. Lucia's National Accounts are consistent with the United Nations System of National Accounts 1968 (SNA 68) and are prepared in accordance with the standard methodology adopted for the Organization Of Eastern Caribbean States (OECS).

This manual is as a result of the collaborative effort of the Inter American Development Bank (IDB) and the department to improve its data dissemination capabilities and attempts to describe the sources and methods that inform compilers and users in the estimation process of St. Lucia's National Accounts.

Director of Statistics

Introduction To St. Lucia's National Accounts

The terminology National Accounts in respect of St.Lucia, relates to the production and dissemination of GDP aggregates in nominal and constant terms at factor cost. The accounting framework of SNA 68 as a compilation tool is not prepared for St.Lucia in its entirety. Available data might be insufficient in terms of frequency, detail and coverage to allow for this, therefore, national accounts compilation has to rely on various statistical technique that best measure the required concepts and fill the gaps in the framework to achieve consistency and subsequently, the dissemination of the estimates.

Value Added for each economic sector is calculated by using one of the following methods, a) the production, b) income, c) expenditure and commodity flow approach (table 1). Summing value added for all the economic sectors, which are classified by the International Standard Industrial Classification (ISIC), and deducting an imputation made for banking service charge¹ results in the aggregate, Gross Domestic Product factor cost. The GDP that is derived is used as benchmark data to calculate market prices GDP, Gross National Product (GNP) and Gross Savings.

Table 1 **Approach Used To Measuring GDP**

Item	ISIC Classification	Approach
1	Agriculture	Production Method
2	- Bananas	“ “
3	- Other Crops	“ “
4	- Livestock	“ “
5	- Fishing	“ “
6	- Forestry	“ “
7	Mining and Quarrying	“ “
8	Manufacturing	“ “
9	Construction	Commodity Flow
10	Electricity and Water	Production Method

Item	ISIC Classification	Approach
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¹ Imputed banking services charge is the excess of property income accruing to banks and similar financial institutions over the interest accruing to depositors. If this were treated like transactions of other industries, the operating surplus and value added of banks would be negative. To avoid this anomaly an imputation in addition to charges actually paid is made and is equated to the excess of property income receive on loans and investment from deposits banks hold over interest paid out on these deposits.

11	Wholesale and Retail Trade	Commodity Flow
12	Hotel and Restaurants	Production Method
13	Transport	“ “
14	- Road Transport	“ “
15	- Air Transport	“ “
16	- Sea Transport	“ “
17	Communication	“ “
18	Financial Intermediation	“ “
19	Banking	“ “
20	Insurance	“ “
21	Real Estate and Owner Occupied Dwellings	Commodity Flow
22	Producer Of Government Services	Income Approach
23	Other Services	Production Method

Production approach

The production approach consists of deducting intermediate inputs from gross value of output to derive value added. This approach is complied mainly for establishments (industries) producing commodities. e.g. agriculture mining and quarrying, manufacturing etc.

Income Approach

The income approach consists of amassing estimates of compensation of employees and operating surplus. This approach is mainly used to estimate value added for the service sectors.

Expenditure Approach

The expenditure approach is used to generate market prices GDP, it also satisfies the criteria of the accounting identity $GDP = C + G + I + XM$ for key aggregates of balance of payments flows and accounts of the total economy.

- C = private final consumption expenditure
- G = government final consumption expenditure
- I = gross domestic investment
- X = exports of goods and services
- M = imports of goods and services
- GDP = gross domestic product (market prices)

Gross domestic product at market prices is derived by adding to factor cost GDP indirect taxes less subsidies. Net exports of goods and services are included in the equation as (XM), and are sourced from the BOP statistics. Gross Capital Formation (I) is sourced from the CIF values of capital goods imported, as detailed in the (table 2) Harmonized System (HS) groups of codes.

Table 2. **HS Codes Used For the Generation of Gross Capital Formation.**

Description	Chapters Of HS 1993
Machinery and equipment	71-77 (omitting 73)
Transport Equipment	78, 79
Other	81,82
Construction	24, 27,28,33,53,58,63,64, 66-69, 81, 89.

Government consumption expenditure calculated as the sum of compensation of employees (salaries, wages, social security etc.) plus intermediate expenses less non industrial sales of government is added to the accounting identity as (G) and the residual private consumption expenditure (C) is derived as the difference between **GDP_{market prices} - ? (G + I + XM) = C.**

Agriculture Sector

Coverage

- Production of Bananas.
- Production of Other Crops/Non-Traditional Crops.
- Fish Landings and Aquaculture production.
- Livestock Production – Slaughter of livestock, Milk production, production of eggs and poultry meat.
- Forestry Products.

Method of Estimation

Bananas - The production approach is used to estimate the value added for this sub-sector. The current price is calculated from information extracted from the financial statements of the banana companies and from the sole manufacturer of fertilizers. Information pertaining to Gross Output and Intermediate Expenditure is subsequently extracted. Value added at current prices for this sub-sector is derived as follows.

$$\text{Value Added}_{\text{Bananas}} = O_B - C_I, \text{ Where}$$
$$O_B = \text{Gross Output for Bananas.}$$
$$C_I = \text{Intermediate inputs for Bananas.}$$

Other Crops - The production approach is used to estimate the value added for this sub-sector. Data on total estimated production of Other Crops is sourced from the Ministry of Agriculture, Statistical and Planning Unit. Intermediate Expenditure in the form of inputs is sourced from the trade section of the Statistics Department. Value added at current prices for this sub-sector is derived as follows.

$$\text{Value Added}_{\text{Other Crops}} = O_{OC} - C_I, \text{ Where}$$
$$O_{OC} = \text{Gross Output/Value of Estimated Production for Other Crops}$$
$$C_I = \text{Intermediate Inputs for Other Crops.}$$

Fishing – The production approach is used to estimate the value added for this sub-sector. Fish landings and trends in aquaculture production are obtained from the Fisheries Department, Ministry of Agriculture. The Fish Landings data that is supplied by the Fisheries Department are only site estimates of the following areas in St. Lucia, Anse-La-Raye, Castries, Dennery, Gros Islet, Micoud, River Doree, Savannes Bay, Soufriere Vieux Fort and others and not actual landings. Production trends in fresh water Shrimps, Fish, Post Larvae and Fingerlings are used to estimate aquaculture production. The prices (selling price) of the various species (Wahoo, Dolphin, Snapper, Tuna, Shark, Lobster, Conch, Flying Fish and Others) are sourced from the St. Lucia Fish Marketing Corp Ltd. Intermediate Expenditure in the form of inputs is sourced from the trade section of the Statistics Department. A ratio for maintenance and repair of the fish vessels is used. Value added at current prices for this sub-sector is derived as follows.

$$\text{Value Added}_{\text{Fishing}} = O_F - C_I, \text{ Where}$$
$$O_F = \text{Gross Output/Value of estimated Fish Landings.}$$
$$C_I = \text{Intermediate Inputs.}$$

Livestock – The production approach is used to estimate the value added for this sub-sector. Data on the number of livestock (cows, sheep, pigs, goats etc.) and poultry

slaughtered are multiplied by the average weight per animal and then by the producer's price to arrive at the value of output. Intermediate Expenditure in the form of inputs (animal feed) is sourced from the trade section of the Statistics Department. Value added at current prices for this sub-sector is derived as follows.

$$\text{Value Added}_{\text{Livestock}} = O_L - C_I, \text{ Where}$$

$$O_L = \text{Gross Output for Livestock.}$$

$$C_I = \text{Intermediate Inputs for Livestock.}$$

Forestry – The production approach is used to estimate the value added for this sub-sector. Information on the quantities and value of forest products is obtained from the Forestry Department, Ministry of Agriculture. Intermediate expenditure is arrived at, from the household and budget survey. Value added at current prices for this sub-sector is derived as follows.

$$\text{Value Added}_{\text{Forestry}} = O_F - C_I, \text{ Where}$$

$$O_F = \text{Gross Output, Forestry}$$

$$C_I = \text{Intermediate Inputs}$$

Constant Price Calculations

Bananas – The double deflation method is used to estimate the value added at constant prices for this sub-sector. $KPV = (QE * UP (BY)) - (VI / I NI * 100)$.

Other Crops – Deflation of current value added by price indexes. $KPV = CPV / PI$

Fishing – Deflation of current value added by price indexes. $KPV = CPV / PI$

Livestock - Deflation of current value added by price indexes. $KPV = CPV / PI$

Forestry – Deflation of current value added by price indexes. Where,

- KPV = constant price value
- CPV = current price value
- PI = price index
- BY = base year
- VI = value of inputs
- QE = quantity exported
- UP = unit price
- INI = input index
- VI = volume index

Source of Data

Bananas – Financial Statements of Banana Companies.

Other Crops – Ministry of Agriculture, Statistical and Planning Unit.

Fishing – Ministry of Agriculture, Fisheries Department.

Livestock – Ministry of Agriculture, Livestock Section/Department.

Forestry – Ministry of Agriculture, Forestry Department.

Data Limitations

Bananas - Given the dissimilar nature of the various banana companies and their varying means of operation the presentations of their financial statements are not similar. Some are more detailed than others. Tardiness on the part of the companies to make the financial statements available has presented some problems.

Other Crops – The data provided by the Statistical Unit of the Ministry of Agriculture on Other Crops are estimates, since only certain marketing establishments are surveyed. Although all the major Hotels are surveyed Guest Houses and Inns are not, as well as roadside vendors. Notwithstanding the fact that the Statistical Unit of the Ministry of Agriculture uses a correction factor to blow up the data and make it more representative, the correction factor only exist for a select few crops. How the correction factors are arrived at is still a mystery.

Fishing – Data on fish landings are site estimates and not actual fish landings. These landings are also estimated for specific sites and not all possible sites. In addition, fish landings data is provided just for specific fish species and not all species that are landed.

Livestock – Lack of sufficient officers on the ground to monitor the slaughtering of livestock has presented problems in estimating livestock slaughtered, since the Ministry of Health does not authorize a significant quantity of livestock slaughtered. Also the subsistence factor is not taken into consideration when arriving at gross output. Generally speaking the data is not readily available and not reliable since there isn't a systematic approach to monitoring the slaughter of livestock, e.g. by district, livestock species etc.

Forestry – Data provided by the Forestry Department only includes forest products such as timber, picket fences and poles/post. Other forest products such as charcoal had to be sourced from a Household and Budget Survey that's outdated.

Construction Sector

Coverage

This industry covers

- General construction contractors engaged in constructing, altering, repairing structures, highways, dams, sewers, port facilities, irrigation systems etc.
- Sub contractors engaged in only part of the work on a construction project such as repairs, painting, plumbing, installation of air condition equipment, excavating and foundation work.
- Establishments and households undertaking own construction.

Method Of Estimation

Because available statistics for this sector is insufficient both in terms of frequency and coverage, the commodity flow approach assumes, that a reliable estimate of gross output can be made for the extraction of value added. This is achieved by factoring inputs of construction imports values into the flow matrix.

To these values are added import duty on construction imports, markup on construction materials, and domestic production of construction materials.

Fixed ratios for transportation cost and labor are added to the matrix to derive an estimate of the total output for construction (equation 1). Value added current prices for construction is obtained by applying to gross output a ratio of value added to gross output (equation 2).

Equation 1..... Output = $I_{cif} + I_D + X(I_{cif} + I_D) + D_P + X_l + X_t$

Equation 2..... Value Added = $r [I_{cif} + I_D + X (I_{cif} + I_D) + D_P + X_l + X_t]$, Where

I_{cif}	= CIF value of construction imports
I_D	= Duty on construction imports
$X (I_{cif} + I_D)$	= Markup on construction materials
D_P	= Domestic production of construction inputs
X_l	= Labor cost
X_t	= Transportation cost
r	= Value added ratio

Constant Price Calculation

Constant price values for the construction sector are calculated as follows,
 $KPV = CPV / PI$. Where,

KPV = constant price value

CPV = current price value

PI = price index

PI is a simple index that is based on the relative change in the price of labor and materials overtime.

The prices of a selected group of construction materials and labor rates are collected for the year of compilation. A simple index based on the formula $PI_t = (y_t / y_o) 100$ is used to generate an index for materials and labor where,

PI_t = index number at time t

Y_t = time series value at time t

Y_o = time series value at time in base period

A benchmark ratio of 6: 4 for the construction mixed of materials and labor is applied to the indices generated (materials & labor) and an overall simple index is generated to deflate current prices to constant for the construction sector.

Source Of Data

The main sources of data used to estimate value added for the construction sector are as follows,

- National Accounts Inquiry Questionnaire
- Trade Section of the Statistics Department. CIF values of construction, import duty on construction materials.
- Cement Importers – Level of cement imports
- SLDB – statistics on transportation cost for construction
- Survey Section – Local production statistics on construction establishments

Data Limitations

Despite efforts of the Statistics Department to increase the rate of returns for establishments surveyed in this sector, the response ratio averages is relatively small. This has resulted on the reliance on the commodity flow approach as the next best method to generate value added for that sector. Because of this, the published statistics remains untested and are assumed to be the best estimate of activity for that sector.

Difficulties associated with determining quantities and values of materials used in construction have preempted the use of a Laspeyres index for the generation of constant prices estimates.

The simple index has proven inadequate because it does not address price and quantity issues related to the industry. The rationale for weighting the indices 6:4 for materials and labor to derive an overall index for that sector does not address price escalation for materials or labor; neither does it allow a comparison of price movement of the two.

Manufacturing Sector

Coverage

Manufacturing Establishments - According to the International Standard Industrial Classification of all Economic Activities (I.S.I.C) Rev3. 'Manufacturing' comprises of all those industries, which are covered under Divisions 15-36. The manufacturing establishments covered are as follows. (Table 3)

Table 3. **Manufacturing Establishments**

Division	Description
15	Manufacturing of Food Products and Beverages
16	Manufacture of Tobacco Products
17	Manufacture of Textiles
18	Manufacture of Wearing Apparel; dressing and dyeing of fur
19	Manufacture of Paper and Paper Products
22	Publishing, Printing and reproduction of recorded media
24	Manufacture of Chemical and Chemical Products
25	Manufacture of rubber and Plastic Products
26	Manufacture of Other Non-Metallic Mineral Products
27	Manufacture of Basic Metals
28	Manufacture of Fabricated Metal Products, Except Machinery and Equipment
29	Manufacture Of Machinery And Equipment N.E.C.
31	Manufacture of Electrical Machinery and Apparatus N.E.C. And
36	Manufacture of Furniture; Manufacturing N.E.C.

Method of Estimation

The Production approach is used to estimate Gross Domestic Product for the manufacturing sector. The production approach measures value added by subtracting the cost of intermediate consumption or inputs from the gross value of output. The gross value of output is the value of sales plus change in stocks of finished goods and work in progress. In some instances, the manufacturing establishments are divided into sectors by no of persons employed in the industry namely:

- 1) 0 - 4
- 2) 5 - 9
- 3) 10 -14
- 4) 15 - 29
- 5) Over 30

In cases where there is no reporting for certain establishments the value is inflated for full coverage using employment data.

Constant Price Calculation

Method used e.g. $KPV = CPV/PI$ or $KPV = CPV (BY)*VI$. Where

- KPV = Constant price value
- CPV = Current price value
- PI = Price Index
- BY = Base Year
- VI = Volume indicator

Price Index = Laspeyres (Weighted) Price Index

Index = $\frac{\text{Sum} ((P_n/P_o)*(P_o*Q_o))}{\text{Sum} (P_o*Q_o)}*100$ where

P_N = Price in current period

P_O = Price in base period

Q_N = Quantity in current period

Q_O = Quantity in base period

Price Index = P_n/P_o

Composite Quantity Index = $\frac{\text{Sum} P_o*Q_n}{\text{Sum} P_oQ_o}$

Volume Index = Q_n/Q_o

Source of Data

The main sources of data are from the following :

- National Income Enquiry Survey available at the Statistics Department
- Survey of Monthly Production
- Consumer Price Index
- Foreign Trade Data obtained from the Statistics Department
- Agricultural Digest obtained from the Statistics Section of the Ministry of Agriculture
- Financial Statements from Inland Revenue Records
- Employment data from National Development Corporation

Data Limitations

- Timeliness of the Survey Data
- Accounts at the Inland Revenue have a time lag of at least a year
- Limited data available for small scale manufacturing industries.

Electricity and Water

Coverage

This sector covers industries that are involved in the following:

Generation, transmission and distribution of electric energy for sale to Domestic, Industrial, Commercial etc users (Division 40 according to the I.S.I.C. Rev 3 this division also includes gas manufacture and distribution, but there is no such industry here and

Collection, Purification and Distribution of water to Domestic, Industrial, Commercial, etc. users (Division 41 according to the I.S.I.C. Rev 3.

Method of Estimation

The Production Approach is used to estimate Value Added for this sector. The Production Approach measures value added for that sector by subtracting the cost of intermediate consumption or inputs from the gross value of output, which is the total value of sale plus change in stock.

Constant Price Calculation

Method used e.g. $KPV = CPV/PI$ or $KPV = CPV(BY)*VI$, where

KPV = Constant price value
CPV = Current price value
PI = Price Index
BY = Base Year
VI = Volume indicator

Volume Index = Q_n/Q_o where
 Q_o = Quantity in base period
 Q_n = Quantity in current period

Price Index = Laspeyres (Weighted) Price Index

Constant price estimates for electricity are obtained by extrapolating the base year estimates of value added by an index based the quantity of electricity sold. The constant price estimates for water are obtained by deflating the current price estimates of value added by a weighted price index for water.

Source of Data

- National Income Enquiry Survey Questionnaire obtained at the Statistics Department
- Financial Statements from the Electricity and Water Establishment

Data Limitations

The financial statement of the electricity establishment reports certain types of expenditure such as utilities, advertising & marketing, maintenance cost, purchase of raw materials & supplies as one expenditure item. Incorporating this into the calculation has the tendency to overestimate intermediate consumption and understate value added.

Mining and Quarrying

Coverage

This sector covers industries engaged in other Mining and Quarrying. According to I.S.I.C. Rev3 'Other Mining And Quarrying' this sector includes operation of quarries producing monumental and building stone in the rough, roughly trimmed, or cut by sawing or by other means typically done at the quarry, such as slate, marble, granite etc.

Method of Estimation

The Production Approach is used to estimate Value Added for this sector. The Production Approach consists of subtracting the cost of intermediate consumption or inputs from the gross value of output, which is the total value of sale plus change in stock.

Constant Price Calculations

Method used e.g. $KPV = CPV (BY) * VI$, where

KPV	=	Constant price value
CPV	=	Current price value
BY	=	Base Year
VI	=	Volume indicator

Volume Index = Q_n / Q_0

Q_0 = Quantity in base period

Q_n = Quantity in current period

The constant price estimates for other mining and quarrying are obtained by extrapolating the base year estimates of value added by a volume index based the quantity of quarry products produced.

Source of Data

- National Income Enquiry Survey Questionnaire obtained at the Statistics Department
- Financial Statements from the Establishment
- Survey of Monthly Production
- Customs Department Consumption Tax Returns on local production

Data Limitations

Timeliness of National Income Enquiry Survey Questionnaire

Wholesale and Retail Sector

Coverage

- Wholesale Establishments.
- Retail Establishments.

Method of Estimation

The commodity flow approach (a crude approach) is used to estimate the value added for this sector. Data on consumer goods is extracted from trade data. Using the information from the National Accounts Survey Questionnaires on Wholesale and Retail, ratios are derived and applied to the trade data to arrive at current value added. A ratio of Cost of Goods Sold to Current Value Added for the year in question from the National Accounts Survey Questionnaires on Wholesale and Retail Establishments is calculated. This ratio is then applied to the Cost of Goods Sold extracted from the trade data (Consumer Goods) to determine Value Added at Current Prices. Value added at current prices for this sector is derived as follows.

$$\begin{aligned} \text{Value Added } \textit{Wholesale Retail Trade} &= (\text{CG} + \text{CT} + \text{ID}) * R_{\textit{WRS}}, \text{ where} \\ \text{CG} &= \text{Consumer Goods (Trade Data)} \\ \text{CT} &= \text{Consumption Tax} \\ \text{ID} &= \text{Import Duty} \\ R_{\textit{WRS}} &= \text{Ratio derived from Wholesale and Retail} \\ &\quad \text{Trade, survey questionnaires.} \end{aligned}$$

Constant Price Calculation

Deflation of current value added by price indexes. $KPV = CPV / PI$, where

$$\begin{aligned} KPV &= \text{constant price} \\ CPV &= \text{current price value} \\ PI &= \text{price index} \end{aligned}$$

Source of Data

National Accounts Survey Questionnaire and Trade Data.

Data Limitations

The inconsistency in the response rate of the national accounts survey of wholesale and retail has made it somewhat difficult to arrive at a ratio that is truly consistent with what obtains in the sector. The lack of readily available data on local sales of manufacturers has made it difficult to improve the present commodity flow approach that is being used.

Banking Sector

Coverage

This industry covers

- Central banks, commercial banks
- Savings and loans association
- Co-operative societies/Credit Unions
- Financial Service Institutions

Method of Estimation

Institutions involved in financial intermediation i.e. banks; co-operatives and financial institution, gross output is calculated by aggregating actual service charge and imputed banking service charge. The former is derive by aggregating income of these institutions with the commissions they receive from trading in foreign exchange .The latter, imputed banking service charge is the difference between interest received from loans and advances made to the general public and interest paid on deposits. Value added current prices of financial institutions co-operatives and banks are derived as follows.

$$\begin{aligned} \text{Value added } \textit{Financial Institutions} &= (S_A + S_I) - C_I \\ \text{Value added } \textit{Co-operatives} &= (S_A + S_I) - C_I \\ \text{Value added } \textit{Banks} &= (S_A + S_I) - C_I \end{aligned}$$

Value Added =? (Value added_{Financial Institutions} ,Value added_{Co-operatives} ,Value added_{Banks})
 where,

- S_A = actual service charge for the services of banks etc.
- S_I = imputed banking service charge
- C_I = intermediate Inputs

Constant Price Calculation

Constant price values for banks and financial institutions are calculated by extrapolating the base year value added on a simple index based on loans /advances and deposits for banks and financial institutions and the level of membership for co-operatives societies as follows,

KPV =? [(CPV_{Banks} + CPV_{Financial Institutions}) /VI , CPV_{Co-operatives} /VI] , where

- KPV = constant price value
- CPV_{Banks} = current price value
- CPV_{Co-operatives} = current price value
- CPV_{Financial Institutions} = current price value
- VI = volume index banks, financial institutions and co-Operatives

VI is a simple indices [$VI_t = (y_t /y_o) 100$] that is based on the relative change in the level of loans/advances and deposits or membership in the case of co-operatives where,

- VI_t = index number at time t
- Y_t = time series value at time t
- Y_o = time series value at time in base period

Source Of Data

The main source of data that is essential for the calculation of value added are as follows.

- National Income Inquiry Questionnaire
- Eastern Caribbean Central Bank
- Banking Section of the Min. of The Min.of Finance

Data Limitation

Usually there is a 100% response rate for banks and financial institutions. However the data captured by way of the National Income Inquiry Questionnaire differs from that obtain from the BS3 and BS5 forms of the ECCB. To address this more reliance is placed on the data that is obtained from the Eastern Caribbean Central Bank (ECCB).

Despite the small population of co-operatives compilers have to constantly make adjustments for non-response. These adjustments are based on earlier value added estimates in the database and sample and population size. The collaboration of the Registrar of Co-Operatives and the ECCB is expected to improve the quality of the estimate but work on computerizing the system at the registrar's office and the mechanism used by the ECCB to capture co-operative data has to facilitate also the capture of financial statement data.

Insurance Sector

Coverage

This sector covers

- Long Term Insurance
- Casualty Insurance, Fire , Accidents , Health
- Insurance agents and brokers
- Organizations servicing insurance carriers
- Independently organized pension funds

Method of Estimation

Gross output for the insurance sector is estimated by adding

- **General Insurance**
 - ❑ Premiums receive, net commissions received, reinsurance claims recovered
 - ❑ Deducting claims paid and reinsurance premiums paid

▪ Long Term Insurance

- Premiums receive
- Deducting claims paid, reinsurance premiums paid and addition to reserve

Value added is calculated by deducting intermediate input from the sum of gross output of general and long term insurance i.e. Value Added = $(O_G + O_L) - C_I$, where

O_G = Gross output, general ins
 O_L = Gross output, long term insurance
 C_I = Intermediate input

Constant Price Calculation

Constant price estimates are computed by extrapolating the base year value added where $CPV = KPV$, on an index that is based on the number of policies in force as follows,
 $KPV = (CPV_{insurance}) / VI$, where

KPV = constant price value
 $CPV_{insurance}$ = current price value
 VI = volume index

VI is a simple index [$VI_t = (y_t / y_o) 100$] that is based on the relative change in the level of insurance policies in force where,

VI_t = index number at time t
 Y_t = time series value at time t
 Y_o = time series value at time in base period

Source of Data

The Insurance Section of the Ministry of Finance provides a good source for the receipt of insurance data as it is mandated by law to receive submissions of revenue and expenditure for all insurance operations in St.Lucia.

The National Income Enquiry questionnaire captures data that relate to the number of policies in force.

Data Limitation

The timeliness of reporting financial statement information to the Insurance section of the Ministry of Finance lags about by more than a year. A number of insurance operations in St.Lucia are foreign owned and usually submit information on the various policies in effect along with revenue and expenditure data for their operations at their own pace.

Transport and Communication Sectors

Coverage

This sector covers the following activities,

- **Transportation**
 - Road Transport
 - Air Transport
 - Sea Transport

- **Communication**
 - Postal Service
 - Telecommunication and Telegraph Services

Method of Estimation

Road Transport consist of buses, car rentals, taxis, trucks and vans that carry goods or passengers for a fee. Data on the number of taxis, buses and goods vehicles are available from the licensing authority . That data is adjusted to exclude busses and trucks that are owned by government, industrial or commercial establishments and are not used in the transport industry.

Data on income and expenditure are extracted from financial statements for goods vehicle and car rental companies. For passenger vehicles an estimate is extrapolated from data of a survey that was conducted by the Statistics Department to determine operators level of income and expenditure. Value added is computed as follows:-

$$\begin{aligned} \text{Value Added}_{\text{Passenger Vehicles}} &= \text{Value added}_{Y-1} \% < \text{level of stock} \% < \text{in CPI} \\ \text{Value Added}_{\text{Goods Vehicles}} &= O_t - C_t \\ \text{Value added}_{\text{Road Transport}} &= \text{Value Added}_{\text{Passenger Vehicles}} + \text{Value Added}_{\text{Goods Vehicles}} \end{aligned}$$

where ,

$$\begin{aligned} \text{Value added}_{Y-1} &= \text{Previous year value added} \\ O_t &= \text{Output, goods vehicles} \\ C_t &= \text{Intermediate inputs, goods vehicles} \end{aligned}$$

Air Transport covers the activities of airlines, travel agents, aircraft administration and the transport by air of passengers and freight by regular service or charter. Value added is calculated for airport administration by culling out of port authority statement data relevant to airport administration. Value added for domestic airlines are obtained from the return questionnaire forms submitted by those airlines. For foreign airline companies ,value added is the component of wage and salaries submitted on the returned National Income Enquiry questionnaire forms .

$$\text{Value added}_{Air Transport} = \text{Value added}_{Port Administration} + \text{Value added}_{Domestic Airline Co} + \text{Wages and Salaries}_{Foreign Airline Co.}$$

Sea Transport covers the activities of port administration, shipping agents, the operations of vessels for transport of freight and passengers overseas coastal-wide.

Value added for Port administration is culled out of Port Statements. For shipping agents and shipbrokers, the data is obtained via the return questionnaire for the annual National Income Enquiry forms.

$$\text{Value added}_{Sea Transport} = \text{Value added}_{Port Administration} + \text{Value Added}_{Ship Agents \& Brokers}$$

Communication coverage for this sector is restricted to postal telegraph and telecommunication. Other forms of communication are classified in the other services sector of ISIC classification. For Telecommunication, telegraph and the postal service, calculated separately, Value added = $O_C - C_I$ where O_C is gross output and C_I is intermediate consumption.

Constant Price Calculation

The constant prices calculation for Road Transport is calculated by summing the separate value added estimates of passenger vehicles, rentals, goods vehicles and taxis. The stock of vehicles from the records of the Licensing Department is used to compose a simple index that extrapolates value added from the base year.

$$KPV_{Road Transport} = \frac{CPV_{Passenger Vehicles} + CPV_{Goods Vehicles} + CPV_{Rentals} + CPV_{Taxis}}{VI}$$

where ,

KPV	= constant price value
CPV _{Passenger Vehicles}	= current prices passenger vehicles
CPV _{Goods Vehicles}	= current prices goods vehicles
CPV _{Rentals}	= current prices car rentals
CPV _{Taxis}	= current prices taxis
VI	= volume index

VI is a simple index [$VI_t = (y_t / y_o) 100$] that is based on the relative change in the stock of vehicles in the records of the Licensing Division of the Ministry of Communication, works and Transport where,

VI_t	= index number at time t
Y_t	= time series value at time t
Y_o	= time series value at time in base period

The constant price estimates for air transport are computed by extrapolating the base year value added by an index that is based on the arrivals and departures at both air ports. $KPV = CPV/VI$ where VI is a simple index [$VI_t = (y_t / y_o) 100$] that is based on the relative change in arrivals and departures.

Sea Transport is deflated using the same approach; the index is based on landed and loaded cargo at the seaports.

Communication constant prices are calculated by deflating separately current prices for postal operations and current price for telecommunication activities. The sum of the deflated current prices for postal and telecommunication activities is constant prices value added for that sector. An index based on the number of employees for postal operations is applied to value added current prices for postal activities. In respect of telecommunication, the band rates forms the basis of the index that is used to deflate telecommunication value added to constant prices.

Source of Data

The main source of data for data for Road Transport is the records of the Licensing Division of the Ministry of Communication, Works and Transport, Inland Revenue Department and the National Income Enquiry questionnaire.

Data Limitations

Data for taxis and passenger vehicles are difficult to obtain. Commuters are changing their transport pattern and the advent of the used car vehicle has resulted in an over supply of passenger transport. The paucity of the data that exist makes it extremely difficult to capture the effects of commuters behavior in the calculation of value added.

For some years when the response ratio is low, the income approach with data sourced from the National Insurance Scheme provide an alternative for computing value added.

Real estate and Owner Occupied Dwellings

Coverage

This industry covers,

- Owner Occupied Dwellings
- Real Estate Agents renting and operating non-residential buildings, apartments buildings and dwellings

Method of Estimation

Owner Occupied Dwellings

Estimate the number of dwellings by extrapolating census year estimates of the housing stock with population growth rates and information on building plans that were approved. An average rent per dwelling is applied to the estimated owner occupied and free rented dwellings to obtain gross output of dwellings. The current cost of repairs estimated as one month's rent per dwelling per year is deducted from gross output as intermediate consumption to derive value added for owner occupied dwellings.

Real Estate Activities

Value added for real estate activities is computed by deducting intermediate consumption from gross output as follows, Value added = $O_R - C_I$ where O_R = Output of real estate agents and C_I = intermediate consumption.

Constant Price calculations

The constant price estimates for owner occupied dwellings are obtained by extrapolating the base year value added with a simple index of the stock of dwellings.

Constant price estimates for real-estate is generated by applying an index that is based on the CPI for housing to the current period value added.

Source of Data

- Building Plans Approved
- Census data
- National Income Enquiry Questionnaire
- CPI statistics

Data Limitations

To date there is no mechanism in place that will allow for the determination of the actual number of dwellings that are constructed from the building plans that were approved by the Ministry of Planning. The conduct of a census is undertaken once in ten years and the unavailability of property tax assessment records makes it difficult to test the statistics of value added generated for this sector and to provide an estimate that is based on sound statistics.

Hotels and Restaurants

Coverage

This sector covers the activities of all types of paid accommodations i.e. (Hotels, Apartments, Guest Houses and Other Paid Accommodation) and Restaurants.

Method of Estimation

The Production Approach is used and two different methods are used to calculate the Gross Domestic Product for this Sector.

Method 1 Value Added is calculated using the information obtained from the National Income and Inquiry questionnaires, which were completed for the sector. All Hotels and Restaurants within the sector are grouped according to their number of employees. Gross Output and Intermediate Expenses are obtained from the data submitted on the questionnaires and consequently Value Added is calculated by deducting Intermediate Expenses from the Gross Output for each establishment. Value Added for Establishments, which did not respond to the survey, is estimated by using employment data to inflate the Value Added.

Method 2 Value Added is calculated using data compiled from the Visitor Expenditure and Motivation Survey and Monthly Tourism Tables.

$$\text{Output for Hotel} = \sum_i [\text{Average Daily Expenditure Tourist in Paid Accommodation}_i * \text{Average Length Of Stay}_i * \text{Tourist in Paid Accommodation}_i]$$

Intermediate Inputs are estimated at 70% of a Hotel's Output; this factor is derived from previous National Income Surveys and Value Added estimates.

$$\text{Value Added Hotels} = [\text{Output} - \text{Intermediate Inputs}]$$
$$\text{Restaurants Output} = [\text{Daily Expenditure on meals} * \text{Total Tourist in Paid Accommodation} * \text{Average Length of Stay}]$$

Intermediate Expenses is estimated at 70% of a Restaurant's Output; this factor is derived from previous National Income Surveys.

$$\text{Value Added Restaurants} = [\text{Output} - \text{Intermediate Inputs}]$$
$$\text{GDP Hotels and Restaurant Sector} = [\text{Value Added Hotels} + \text{Value Added Restaurants}]$$

Constant Price Calculation

For Constant prices a volume index was constructed using 1990 bed nights as the base.

Bed nights is defined as one person occupying one bed for one night and is derived by multiplying the number of tourist in paid accommodation by average length of stay, it is calculated for each type of paid accommodation and added to give total bed nights.

Total Bed nights = \sum [Tourist in paid accommodation _i * Average length of stay _i]

$$\text{Value Added}_t = \frac{[\text{Bed nights}]_t}{[\text{Bed nights}]_0} * \text{Value Added}_0$$

where _t = Bed nights in current year

₀ = Bed nights in base year

Sources of data

- National Income Survey
- Monthly Tourism Tables compiled from embarkation/disembarkation cards
- Visitor Expenditure and Motivation Survey

Data Limitations

- Difficulties are encountered in accessing data from the Monthly Tourism Tables.
- Timeliness of data.
- The response rate is approximately 52% for this sector, however the reliability of information collected from the National Income Survey can be questioned. Newer techniques need to be developed in regards to the treatment of Gross Output in the All-inclusive hotels and the Tourist on package tours.
- The use of intended length of stay to calculate bed nights because of the unavailability of data for actual length of stay may result in over estimation.
- The use of bed nights does not reflect changes in prices.
- Value Added for the Hotel and Restaurant Sector is used as an indicator for the Tourism Industry, however tourism related income-generating activities such as Cruise Ship Passengers, Excursionists, Stay/over Arrivals residing on yachts and in Private Homes are not included in the GDP estimate.

Other Services

Coverage

The activities of this industry include

- Legal and medical services
- Accounting services
- Data processing, marketing, advertising
- Business Services, hairdressing etc
- Educational Services
- Engineering, architectural and technical services
- Machinery and equipment repair, rental and leasing

Method Of Estimation

The gross value of output is obtained from data submitted on the National Income Enquiry Questionnaire forms and intermediate consumption is deducted to result in value added.

Constant Price Calculation

The deflation of value added for this sector is done by combining value added of each representative group and applying an index that is based on the CPI for all items.

Source of Data

National Income Enquiry questionnaire forms

Data Limitations

Because of the large non-response rate for this sector, estimates of value added are sometimes made with data obtained from the National Insurance Scheme. Value added computed from NIS data requires the application of the commodity flow approach.

Producers of Government Services

Coverage

Coverage for this sector comprises: -

- Government department, offices and other bodies engage in administration, defense and regulation of public order, promotion of economic growth, welfare and technological development, provision of education, health, culture, recreational, social and community services free of charge or at sale price which do not cover the cost of production.
- Non- profit institutions serving households, business enterprises wholly or partly finance and controlled by the public authorities or government bodies.
- Social security services for the community

Method of Estimation

There is no market price for the producers of government services. The value of these services is estimated at cost Value added for this sector is estimated as the sum of compensation of employees, gratuities and social security contributions.

Constant Price Calculations

Constant price estimation of value added is obtained by deflating the current price value i.e. compensation of employee by a wage rate index that includes all the various steps in the public service grading system. The index is weighted on the number of employees in each grade and average salary.

Source of Data

The main source of data for that is used to extract value added for The Producers Of Government Services are the annual accounts of the government of St. Lucia.

Data Limitation

Government transactions are on a cash basis therefore the data extracted from the accounts of St.Lucia to estimate value added ignores the accrual concept for recording transactions. Since government operations are reported on a fiscal basis, the estimation of value added for this sector on a calendar basis requires voluminous extraction from the available accounts to derive value added. Historical evidence indicates that there is little difference in value terms between fiscal and calendar year data. Fiscal year data therefore is used for the estimation of value added.

Government Final Consumption Expenditure

Coverage

Coverage for government final consumption expenditure includes government purchases of goods and services, expenditures on compensation of employees, revenue from sales that are exclusive of government regulatory purposes.

Method of estimation

The annual accounts of government are reclassified according to COFOG (classification of the functions of government) and an analysis of receipts and expenditures undertaken to provide estimates of compensation of employees, intermediate consumption receipts from non-industrial sales. Estimates of government final consumption expenditure are derived as follows, $O_G = E_C + C_I - I_S$, where

- O_G = Gross output of government
- E_C = Compensation of employees
- C_I = Intermediate consumption
- I_S = Non –industrial sales

Source Of Data

The main source of data for the compilation of government final consumption expenditure is the annual accounts of the government of St. Lucia.

Data Limitation

The cash basis method of accounting for recording transaction for government precludes the segregation of government own gross fixed capital formation as an industry. This makes it difficult to computing gross output for government.

Private Final Consumption Expenditure

Coverage

Coverage for private final consumption expenditure includes the following components: -

- Final consumption expenditure of households in the domestic market.
- Direct purchases abroad by resident households
- Direct purchases in the domestic market by non- resident households.
- Final consumption expenditure of private non- profit institutions serving households.
- Private final consumption expenditure.

Method of Estimation

The following methods can be used to estimate household consumption expenditure.

- The direct method based on the results of household expenditure surveys.
- The commodity flow method, based on statistics on the supply of household goods and services.
- The retail valuation method, based on statistics of quantities of goods and services acquired by households and retail prices
- The retail sales method based on information in retail sales.

The direct method consists of inflating the data collected in sample surveys of household consumption expenditure to cover all households. It measures the flow of household goods and services at the time of purchase at purchaser's prices. The method is comprehensive in the coverage of goods and services and can furnish an analysis of household consumption expenditure by object of expenditure.

The data obtained from this method will refer to expenditures by resident households abroad and in the domestic market. The result, however, does not include expenditures by foreigners in the domestic market, which will have to be obtained from other surveys such as tourism expenditure surveys etc.

The commodity flow method is based on information on the supply of goods and services from domestic production and imports and the allocation of these supplies to household consumption purposes.

Source of Data

The main sources of data that could be used in making estimates of private consumption expenditure are household expenditure surveys and statistics on retail trade. Foreign trade statistics, and statistics on domestic production are extremely useful in arriving at estimates based on the commodity flow approach. Other sources of data are surveys of establishments and tourism expenditure surveys.

Data Limitations

Private consumption expenditure is obtained as a residual. The method of estimation is unsatisfactory since the statistical discrepancy that would have occurred if independent estimates of gross domestic product were made, is being allocated to final consumption expenditure of household. The residual will reflect all the errors that may have occurred in the other components. The derivation of private consumption expenditure as a residual does not facilitate a breakdown by object of expenditure.

Gross Capital Formation

Gross capital formation consists of two components:

- Gross fixed capital formation
- Increase in stocks.

Gross Capital Formation

Coverage

Coverage of gross fixed capital formation include the follows,

- Acquisitions by producers for civilian use of tangible assets, which have an estimated lifetime of one year or more. Excluded are the following land and similar non-reproducible tangible assets. Relatively inexpensive durable goods, such as certain types of office equipment may on practical grounds be excluded. Government outlays on construction and machinery and equipment primarily intended for military use, are classified as intermediate consumption rather than gross fixed capital formation.

- Outlays for improvements and alterations of capital goods, which significantly extend their expected lifetime, or increase their productivity, are considered to be gross fixed capital formation.
- Outlays on the reclamation and improvement of land, on the development and extension of plantations and similar agricultural holdings are included in gross fixed capital formation.
- Dealers' margins, solicitor's fees, stamp duties on documents and their transfer costs of transactions in land, and similar non-reproducible assets are covered in gross fixed capital formation.

Method Of Estimation

The commodity flow approach is used to estimate investment in machinery and equipment. Such items are usually imported therefore the procedure in the estimation process is to segregate the flow of capital goods and construction materials from the commodities that are destined for intermediate and final consumption.

The next step is to allow for stock changes. Gross capital formation is valued at purchaser's prices therefore one must estimate the flow at purchaser's prices. In the case of capital goods, a mark-up of the CIF value of imports is made and in the case of construction materials the ratio of the value of construction materials to the total value of construction is ascertained.

Source Of Data

Foreign trade statistics are the main sources of data used in estimating gross fixed capital formation. Data on domestic production of capital goods are obtained from the Survey Section. Transportation margins are obtained through ad hoc inquiries from various manufacturers, importers and wholesalers.

Data Limitation

Gross fixed capital formation should be valued at purchaser's values, trade and transport margins have to be added to the CIF value of machinery and equipment to achieve this. There has been much difficulty in obtaining reliable information on trade and transport margins of various imported capital goods. The mark-ups value of capital goods is to a large extent based upon subjective judgments or up unsatisfactory inquiries.

Some of the durable goods that are imported have multiple end uses i.e., they could be used either for capital formation, intermediate or final consumption. The allocation of

these goods to capital formation is based on fixed percentages rather than comprehensive end-use studies.

Fixed ratios are used in deriving the total value of construction. This is achieved by obtained a ratio of the value of construction materials to the value of construction. Fixed ratios have limitations for the estimation of the value of construction activity. Some construction activity may be more labor or material-intensive than others. The use of use fixed ratios may not accurately represent the value of construction.

The commodity flow method involves distinguishing stock movements from the flow of capital goods and building materials. Separation for changes in stocks is complicated because of the lack of relevant data. It is assumed that all imports and local production of building materials and capital goods are used up within the period of account.

Net Exports of Goods and Services.

Coverage

Coverage for exports and imports of goods and services is identical to coverage of items in the balance of payments with the exception of financial intermediation charge which is included under investment income. The disaggregating of exports and imports of goods and services in considerable detail is essential for analytical and policy needs with respect to international negotiations of trade in services and the General Agreement On Tariff And Trade (GATT).

Source Of Data

The sources of data for the estimation of merchandise exports and imports for are the foreign trade statistics. The source of data for estimation of exports and imports of services are the balance of payments questionnaire .

Data Flows and Source

Table 4. **Gross National Product (GNP)**

Item	Components	Flows	Source
1	Gross Domestic Product (<i>factor cost</i>)	-	Table 1, S (1, 7 –13, 17 – 23)
2	Net Indirect Taxes	3 - 4	-
3	Indirect Taxes	22	Table 5, Expenditure On GDP
4	Subsidies	23	Table 5, Expenditure On GDP
5	Gross Domestic Product (<i>market Prices</i>)	1 + 2	-
6	Net factor Income From Abroad	7 - 8	-
7	Factor Income From Abroad	-	Balance of Payments Data
8	Factor Payments To Abroad	-	Balance of Payments Data
9	Gross National Product (<i>market prices</i>)	1 + 2 + 6	-

Table 5. **Gross Domestic Product By Final Use.**

Items	Components	Flow	Source
10	Government Final Consumption Expenditure	-	Government Accounts
11	Private final Consumption Expenditure	21 – (10+12+18)	-
12	Gross Capital Formation	15 +16 +17	-
13	Increase In stock*	-	-
14	Gross Fixed Capital Formation	15 +16 +17	-
15	Construction	-	Estimated From Trade Data
16	Transport Equipment	-	Estimated From Trade Data
17	Other Machinery and Equipment	-	Estimated From Trade Data
18	Net Exports	19 - 20	-
19	Exports Of Goods And Services	-	Balance of Payments Data
20	Imports of Goods And Services	-	Balance of Payments Data
21	GDP Market Prices	24 + 22 - 23	-
22	Less: Indirect Taxes	-	Government Revenue Data
23	Plus: Subsidies	-	Government Revenue Data
24	GDP (<i>factor cost</i>)	-	Table 1, S (1, 7 –13, 17 – 23)

* Component of Gross Fixed Capital Formation.

Table 6. **Gross Savings**

Items	Components	Flow	Source
25	GDP Market Prices	21	Table 5, Expenditure On GDP
26	Less: Total Consumption	10 + 11	
27	= Gross Domestic Savings	25 - 26	
28	Plus: Net Factor income	7	
29	Plus: Net Transfers	-	Balance of Payments
30	= Gross National Savings	27 + 28 + 29	

Table 7. **Derivation of National Accounts Flows**

Items	Components	Flow	Source
31	Gross National Product (<i>market Prices</i>)	9	Table 4, Gross National Product
32	Plus: Net Transfers from Rest of World	-	Balance of Payments
33	Minus: Final Consumption Expenditure	26	Table 6, Gross Savings
34	= Consumption of Fixed Capital	31 + 32 - 33	
35			
36	Final Consumption Expenditure	26	Table 6, Gross Savings
37	Plus: Gross Capital Formation	12	Table 5, Expenditure On GDP
38	Plus: Net Exports	18	Table 5, Expenditure On GDP
39	Plus: Net Factor Income From Abroad	6	Table 4, Gross National Product
40	Plus: Net Transfers From Rest of World	29	
41	= Gross National Disposable Income	36 + 37 + 38 + 39 + 40	-
42			
43	Gross National Disposable Income	41	-
44	Minus: Final Consumption Expenditure	33	-
45	= Net Savings	43 - 44	-

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Glossary of Main Terms

Average Length of Stay. This figure is derived from the Intended Length of Stay, which is declared by the tourist to the Immigration Officer when disembarking in St. Lucia. This figure is measured in days.

Bed nights. Bed nights are defined as one person occupying one bed for one night. This figure is calculated by multiplying the average length of stay by stay-over/tourist arrivals for each category of the accommodation sector. Total Bed nights is the sum of all the Bed nights obtained for each category.

Change in Stocks. This is equal in principle to the market value at the owning establishment of the physical change during a period of account in stocks of materials, supplies, work-in progress except on construction projects, finished products, livestock raised for slaughter and merchandise held by resident industries and in stock of strategic material and emergency stocks of important products held by Government services. In practice, the closest feasible approximation may be the difference between the levels of these stocks at the beginning and end of the period, both valued at approximate average prices ruling over the period

Current and Constant Prices. The value of goods and services at current prices may represent not only changes in output but also the effect of changes in the price of the goods and services. To obtain GDP at constant prices, which would represent only changes in actual output, the following two methods can be used: -
Value the output in the current year based on the price of the output in the base year. This is done using a volume index.
Deflate the current year values using an index of price changes since the base year.

Exports of Goods and Services. This is defined to include merchandise, transport and communication, insurance services and other miscellaneous goods and services. Direct purchases in the domestic market by non-residents (tourists) are included in exports, and direct purchases abroad by residents are included in imports. For purposes of national accounts merchandise trade includes all goods crossing the geographical boundaries of a country including those bonded warehouses and free-trade areas. Also included are in international waters by resident enterprises. Exports of goods are recorded F.O.B. and imports are recorded C.I.F.

Final Consumption Expenditure: Government Final Consumption Expenditure
This is defined as the value of the gross output of producers of Government services less the value of Government sales and the value of its own-account capital formation. The gross output is equal to the cost of production, that is, the sum of intermediate consumption of goods and services, compensation of employees and consumption of fixed capital. For St. Lucia consumption and compensation of employees.

Gross Capital Formation. Gross Capital Formation is composed of: -Gross fixed capital formation, Changes in stock.

Gross Domestic Product (GDP). This is the value of all goods and services produced in the economy over one period of time (usually one year). This could be measured by adopting three different approaches.

The Production Approach

This measure entails the summing of the value of production of each sector in the national economy.

In order to avoid double-counting the value of the inputs from other industries have to be deducted.

Thus value added is estimated by deducting intermediate inputs from gross output.

The Expenditure Approach (Expenditure on GDP)

This approach is used to estimate GDP according to the expenditure on final use. This consists of estimates of expenditure and expenditure on investment goods (gross capital formation). An adjustment then has to be deducted, and the value of goods and services which are exported, which has to be included.

The Income Approach

This is derived by summing the factor incomes earned from the production of goods and services.

These incomes are compensation of employees, interest receipt, land rent and operating surplus.

Gross National Product. Gross National Product is the sum of gross primary income/product received by resident institutional units/sectors. GNP is equal to GDP less primary income payable to non-resident units plus primary income receivable from non-resident units.

Indirect Taxes. Indirect taxes are compulsory payments chargeable to the cost of production or the sale of goods and services. They therefore include: -

Import and consumption duties, Export duties, entertainment taxes, travel tax, etc. Motor vehicle and driver's licenses, airport and passport fees and the like, when paid by producers or industries. These are however considered as compulsory fees when paid by households.

Market Prices and Factor Cost: Market prices represent the actual price paid by purchases by Government but are less of subsidies.

Monthly Tourism Tables. Tourism Tables derived using data compiled from Embarkation/Disembarkation Cards that are completed by visitors when entering the island

Paid Accommodation. Establishments where tourists rent rooms alone or rooms and other services. Paid accommodation is sub divided into Hotels, Apartments, Guest Houses and Other Paid Accommodation.

Private Final Consumption Expenditure. Private final consumption expenditure consists of the following components:

Final consumption of expenditure of households in domestic market;

Plus: Direct purchases abroad by resident households;

Less: Direct purchases in the domestic market by non-resident household;

Equals: Final consumption expenditure of households;

Plus: Final consumption expenditure of private non-profit institutions serving households;

Equals: Private final consumption expenditure.

Gross Fixed Capital Formation:

This consists of additions to the assets of producers of tangible reproducible goods, which have an expected lifetime of use of one year or more. The producers in question may be industries, producers of Government services and producers of private non-profit services to household.

The capital goods maybe purchased or produced on own account.

Sales less purchases of second-hand fixed assets and sales of scrapped fixed assets by producers should be deducted from gross fixed capital formation.

Subsidies. Subsidies are rants on current account paid by the Government and which are clearly intended to compensate the recipient for losses incurred as a direct result of the Government policies to maintain prices at a level below the cost of production.

Any Government grants to producers, which are not connected with their productive activities but are given to them in the capacity of customers such as social assistance grants and social security benefits should be treated as current transfers and not as subsidies

Tourist/Stay-over Visitor. Any person normally resident abroad who enters the island and remains for not less than twenty-four hours and not more than six months for legitimate non-immigrant purposes such as vacation, recreation, sports, conference, health, family reasons, religious, pilgrimage or study.

Visitor Expenditure and Motivation Survey. A Survey conducted by The St. Lucia Tourist Board at the ports of entry. The Daily Expenditure for Accommodation and Meals used in calculating Value Added are derived from this Survey.



In case you need to contact us, we have provided for your ease of communication the following links.

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