

Explanatory Notes on Main Statistical Indicators

Gross Domestic Product An aggregate measure of production equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs). The sum of the final uses of goods and services (all uses except intermediate consumption) measured in purchasers' prices, less the value of imports of goods and services, or the sum of primary incomes distributed by resident producer units. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

Gross Domestic Product at Current Price is GDP at prices of the current reporting period. Also known as nominal GDP.

Gross Domestic Product at Constant Price refers to the volume level of GDP. Constant price estimates of GDP are obtained by expressing values in terms of a base period. In theory, the price and quantity components of a value are identified and the price in the base period is substituted for that in the current period. Two main methods are adopted in practice.

Expenditure-based GDP is total final expenditure at purchasers' prices (including final consumption expenditure, gross fixed capital formation, changes in inventories, valuables and f.o.b. value of exports of goods and services), less the f.o.b. value of imports of goods and services.

Income-based GDP is compensation of employees, plus taxes less subsidies on production and imports, plus gross mixed income, plus gross operating surplus.

Output-based GDP is the sum of the gross values added of all resident producers at basic prices, plus all taxes less subsidies on products. Describes the generation of gross value added by industrial classification of economic activities according to the International Standard Industrial Classification.

GDP at Market Prices is the sum of the gross values added of all resident producers at market prices, plus taxes less subsidies on imports.

GDP per capita is gross domestic product divided by midyear population. Data are in current U.S. dollars.

Gross National Income is GDP less net taxes on production and imports, less compensation of employees and property income payable to the rest of the world plus the corresponding items receivable from the rest of the world (in other words, GDP less primary incomes payable to non-resident units plus primary incomes receivable from non-resident units). An alternative approach to measuring GNI at market prices is as the aggregate value of the balances of gross primary incomes for all sectors (note that gross national income is identical to gross national product (GNP) as previously used in national accounts generally). GNI, calculated in national currency, is usually converted to U.S. dollars at official exchange rates for comparisons across economies, although an alternative rate is

used when the official exchange rate is judged to diverge by an exceptionally large margin from the rate actually applied in international transactions. To smooth fluctuations in prices and exchange rates, a special Atlas method of conversion is used by the World Bank. This applies a conversion factor that averages the exchange rate for a given year and the two preceding years, adjusted for differences in rates of inflation between the country, and through 2000, the G-5 countries (France, Germany, Japan, the United Kingdom, and the United States). From 2001, these countries include the Euro area, Japan, the United Kingdom, and the United States.

GNI per Capita in PPP GNI per capita based on purchasing power parity (PPP). PPP GNI is gross national income (GNI) converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GNI as a U.S. dollar has in the United States.

Gross Value Added is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector; gross value added is the source from which the primary incomes of the SNA are generated and is therefore carried forward into the primary distribution of income account.

Gross Value Added at Basic Prices Output valued at basic prices less intermediate consumption valued at purchasers prices. The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, on that unit as a consequence of its production or sale; it excludes any transport charges invoiced separately by the producer.

Gross Value Added at Factor Cost is GVA at market prices less any indirect taxes plus any subsidies.

Gross Value Added at Producer Prices is output valued at producer prices less intermediate consumption valued at purchasers of prices.

Three Strata of Industry The origin is determined by the International Standard Industrial Classification (ISIC), revision 3.

Primary Industry named as agriculture, corresponds to ISIC divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production.

Secondary Industry corresponds to ISIC divisions 10-45 and includes manufacturing (ISIC divisions 15-37). It comprises value added in mining, manufacturing (also reported as a separate subgroup), electricity, gas and water supply, construction.

Tertiary Industry named as services, corresponds to ISIC divisions 50-99. They include value added in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such



as education, health care, and real estate services. Also included are imputed bank service charges, import duties, and any statistical discrepancies noted by national compilers as well as discrepancies arising from rescaling.

Gross Capital Formation is the total value of the gross fixed capital formation, changes in inventories and acquisitions less disposals of valuables.

Capital Formation Rate namely investment rate, refers to gross capital formation as percentage of gross domestic product.

Household Final Consumption Rate refers to household final consumption expenditure as percentage of gross domestic of product.

Household Final Consumption Expenditure is the market value of all goods and services, including durable products (such as cars, washing machines, and home computers), purchased by households. It excludes purchases of dwellings but includes imputed rent for owner-occupied dwellings. It also includes payments and fees to governments to obtain permits and licenses. Here, household consumption expenditure includes the expenditures of nonprofit institutions serving households,

even when reported separately by the country.

Consumption Expenditure is the sum of household final consumption expenditure and general government final consumption expenditure. This estimate includes any statistical discrepancy in the use of resources relative to the supply of resources.

General Government Final Consumption Expenditure includes all government current expenditures for purchases of goods and services (including compensation of employees). It also includes most expenditure on national defense and security, but excludes government military expenditures that are part of government capital formation.

Operating Surplus measures the surplus or deficit accruing from production before taking account of any interest, rent or similar charges payable on financial or tangible non-produced assets borrowed or rented by the enterprise, or any interest, rent or similar receipts receivable on financial or tangible non-produced assets owned by the enterprise (for unincorporated enterprises owned by households, this component is called mixed income).