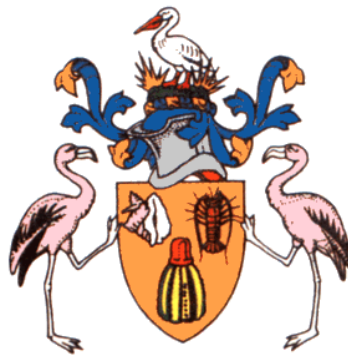


# **Turks and Caicos National Accounts Statistics**



**Department for Economics Planning and Statistics**

**Ministry of Finance**

**Preliminary, February 2011**

## **NATIONAL ACCOUNTS**

The Turks and Caicos Islands System of National Accounts (TCI SNA) is fundamentally based on the recommended requirements of the 1993 UN SNA. The accounts prepared by the TCI is limited to the compilation of the basic measure of output arising from the economic activity and expenditure taking place within the economy and between different economic agents, in current and constant prices and its related indicators, or the GDP. The TCI GDP series is compiled by the Statistical Office of the Department of Economic Planning and Statistics (DEPS). This compilation presented GDP by economic activity and expenditure components, in current and constant 2000 prices from the period starting 2000 to the present year.

In the past, various GDP estimates for the TCI were made by different organizations. This has brought confusion on to which is the official series recognized by the government. In earlier years, British representatives and international organizations made estimation of the GDP for the TCI. In addition, the Caribbean Development Bank (CDB) has compiled a series of GDP estimates for the period 1997 to 2002, where estimates were compiled using 1990 as the base year. However, the GDP series compiled by the Statistical Office over the years have been used as the official national accounts series for the TCI.

The production of the National Accounts Statistics series is a demanding task. In 1999, with technical assistance from the Caribbean Development Bank (CDB), steps were taken to strengthen the statistical services in the TCI; in particular, one of the objectives was to compile national accounts estimates for a five year period. In 2003, the staff started the compilation a series of GDP estimates by economic activity and by expenditure in current and constant prices for the period 2000 to 2002, using 2000 as the base year. The series for 2000 to 2002 was not published. In 2004, the CDB provided a Consultant to assist the Statistical Office and worked closely with the staff in the methodology and preparation of a revised and updated series of national accounts statistics for the TCI. In 2006, the Statistical Office released the series ***National Accounts Statistics 2000-2005***. This was followed by the second issue ***National Accounts 2006*** released in 2007. For that round, the Office utilized the services of the National Accounts Consultant in early 2007 to provide the needed oversight to the staff responsible for the production of the GDP estimates. Although CDB is no longer paying for the consultant the Turks and Caicos Islands statistics department have continued the use of the consultant as staff turnover in the statistics department over the years have led to the yearly need for the consultant. This cost has been borne by TCIG.

Revised and updated Gross Domestic Product (GDP) estimates shown in this report are the official national accounts series for Turks and Caicos Islands (TCI). Annex A discusses the methodology used to derive the estimates. The Chief Economic Adviser to the Governor has reviewed the initial estimates and methodology and has made a number of comments at Annex B to which the Department has responded and which usefully exposes some of the more detailed assumptions and methodologies behind the estimates which we will seek to incorporate in a final version of this preliminary report.

DEPS, January 2010

**GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY**  
**IN CURRENT PRICES: 2000 - 2004**  
(In US\$'000)

ECONOMIC ACTIVITY	2000	2001	2002	2003	2004
<b>Agriculture &amp; Fishing</b>	<b>4,620</b>	<b>4,807</b>	<b>3,967</b>	<b>5,245</b>	<b>6,232</b>
Agriculture	645	939	922	988	911
Fishing	3,975	3,867	3,045	4,257	5,321
<b>Mining &amp; Quarrying</b>	<b>1,859</b>	<b>2,017</b>	<b>1,913</b>	<b>2,471</b>	<b>3,692</b>
<b>Manufacturing</b>	<b>10,844</b>	<b>10,643</b>	<b>10,359</b>	<b>11,355</b>	<b>11,314</b>
<b>Electricity &amp; Water Supply</b>	<b>12,021</b>	<b>12,383</b>	<b>15,501</b>	<b>15,834</b>	<b>20,021</b>
Electricity	10,478	10,463	12,919	12,493	15,509
Water	1,543	1,920	2,582	3,341	4,512
<b>Construction</b>	<b>23,240</b>	<b>25,208</b>	<b>23,914</b>	<b>30,883</b>	<b>46,148</b>
<b>Wholesale &amp; Retail Trade</b>	<b>12,652</b>	<b>13,373</b>	<b>14,386</b>	<b>16,101</b>	<b>19,211</b>
<b>Hotels &amp; Restaurants</b>	<b>98,931</b>	<b>118,868</b>	<b>110,656</b>	<b>122,852</b>	<b>134,522</b>
Accommodation	92,943	112,622	104,028	114,430	123,585
Restaurants	5,988	6,246	6,628	8,421	10,937
<b>Transport, Storage &amp; Communication</b>	<b>33,758</b>	<b>36,094</b>	<b>37,912</b>	<b>38,722</b>	<b>46,829</b>
Road Transport	2,878	2,986	2,837	3,120	3,401
Sea Transport	1,224	1,084	988	1,012	1,043
Air Transport	7,401	7,862	8,292	8,160	8,582
Auxillary Transport Activities & Storage	3,432	3,930	4,428	4,844	6,648
Communications	18,823	20,232	21,368	21,585	27,155
<b>Financial Intermediation</b>	<b>26,858</b>	<b>28,327</b>	<b>27,826</b>	<b>27,243</b>	<b>41,611</b>
Banks	24,497	25,024	22,643	20,605	30,114
Insurance	2,361	3,303	4,464	5,949	10,740
Auxillary Financial Intermediation	-	-	718	689	757
<b>Real Estate, Renting &amp; Business Activities</b>	<b>37,948</b>	<b>40,672</b>	<b>42,834</b>	<b>43,452</b>	<b>45,822</b>
Real Estate	4,246	4,508	4,626	4,714	4,777
Owner Occupied Dwellings	25,191	25,959	26,842	27,657	29,237
Renting of Machinery & Equipment	1,700	2,040	2,491	1,726	2,093
Computer & Related Services	285	479	832	881	985
Business Services	6,526	7,686	8,043	8,475	8,730
<b>Public Administration &amp; Defence;</b>					
<b>Compulsory Social Security</b>	<b>17,489</b>	<b>21,081</b>	<b>22,645</b>	<b>26,484</b>	<b>32,262</b>
<b>Education</b>	<b>9,214</b>	<b>10,670</b>	<b>11,565</b>	<b>11,624</b>	<b>13,390</b>
Public	6,928	8,023	8,695	8,740	10,127
Private	2,286	2,648	2,869	2,884	3,263
<b>Health &amp; Social Work</b>	<b>6,915</b>	<b>8,203</b>	<b>9,090</b>	<b>9,884</b>	<b>11,845</b>
Public	4,927	5,727	6,323	6,788	8,247
Private	1,988	2,476	2,767	3,096	3,598
<b>Other Community, Social &amp; Personal</b>					
<b>Services</b>	<b>10,287</b>	<b>10,627</b>	<b>11,853</b>	<b>14,152</b>	<b>14,790</b>
Public	113	108	112	132	151
Private	9,575	9,843	10,941	13,221	13,651
Activities of private households	599	676	800	799	988
<b>Less FISIM</b>	<b>22,262</b>	<b>22,875</b>	<b>21,839</b>	<b>18,357</b>	<b>22,741</b>
<b>GROSS VALUE ADDED</b>					
<b>in Basic Prices</b>	<b>284,375</b>	<b>320,097</b>	<b>322,581</b>	<b>357,945</b>	<b>424,949</b>
<i>Growth Rate (%)</i>	-	12.56	0.78	10.96	18.72
Taxes on Products	37,442	41,290	45,037	52,406	61,466
Less Subsidies on Products	2,373	2,642	911	597	815
<b>GROSS DOMESTIC PRODUCT</b>					
<b>in Market Prices</b>	<b>319,443</b>	<b>358,745</b>	<b>366,708</b>	<b>409,754</b>	<b>485,599</b>
<i>Growth Rate (%)</i>	-	12.30	2.22	11.74	18.51

**GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY**  
**IN CURRENT PRICES: 2005-2009 Preliminary**  
(In US\$'000)

<b>ECONOMIC ACTIVITY</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Agriculture &amp; Fishing</b>	<b>6,644</b>	<b>7,020</b>	<b>5,633</b>	<b>3,784</b>	<b>4,570</b>
Agriculture	882	1,186	1,269	1,396	1,494
Fishing	5,762	5,834	4,364	2,388	3,076
<b>Mining &amp; Quarrying</b>	<b>5,164</b>	<b>8,031</b>	<b>8,723</b>	<b>9,619</b>	<b>4,981</b>
<b>Manufacturing</b>	<b>11,912</b>	<b>12,424</b>	<b>14,497</b>	<b>13,692</b>	<b>11,700</b>
<b>Electricity &amp; Water Supply</b>	<b>23,686</b>	<b>25,151</b>	<b>27,650</b>	<b>29,664</b>	<b>35,291</b>
Electricity	18,271	19,195	20,103	21,457	26,654
Water	5,416	5,956	7,548	8,206	8,637
<b>Construction</b>	<b>64,547</b>	<b>100,388</b>	<b>109,034</b>	<b>120,239</b>	<b>62,263</b>
<b>Wholesale &amp; Retail Trade</b>	<b>22,845</b>	<b>28,026</b>	<b>35,822</b>	<b>37,793</b>	<b>26,357</b>
<b>Hotels &amp; Restaurants</b>	<b>156,088</b>	<b>193,793</b>	<b>206,703</b>	<b>276,449</b>	<b>275,843</b>
Accommodation	142,806	177,324	189,137	251,532	250,908
Restaurants	13,282	16,468	17,565	24,918	24,863
<b>Transport, Storage &amp; Communication</b>	<b>54,642</b>	<b>57,682</b>	<b>72,314</b>	<b>78,468</b>	<b>78,731</b>
Road Transport	3,707	4,364	5,062	5,822	5,705
Sea Transport	1,095	1,150	1,829	1,800	1,853
Air Transport	8,694	9,527	10,413	11,148	10,925
Auxillary Transport Activities & Storage	8,686	9,162	10,186	10,394	10,385
Communications	32,460	33,480	44,823	49,304	49,863
<b>Financial Intermediation</b>	<b>55,738</b>	<b>77,751</b>	<b>95,158</b>	<b>101,951</b>	<b>104,340</b>
Banks	42,417	62,529	76,529	81,869	83,506
Insurance	12,351	14,204	16,477	16,709	17,197
Auxillary Financial Intermediation	970	1,018	2,152	3,374	3,657
<b>Real Estate, Renting &amp; Business Activities</b>	<b>50,639</b>	<b>56,106</b>	<b>62,642</b>	<b>71,799</b>	<b>76,042</b>
Real Estate	5,234	5,648	5,546	4,798	4,072
Owner Occupied Dwellings	30,000	31,676	36,967	46,195	52,861
Renting of Machinery & Equipment	4,301	6,600	6,992	6,651	5,825
Computer & Related Services	1,001	1,021	1,553	1,652	1,491
Business Services	10,103	11,161	11,583	12,502	11,792
<b>Public Administration &amp; Defence;</b>					
<b>Compulsory Social Security</b>	<b>36,873</b>	<b>48,412</b>	<b>66,808</b>	<b>62,040</b>	<b>58,491</b>
<b>Education</b>	<b>16,327</b>	<b>19,602</b>	<b>19,601</b>	<b>22,192</b>	<b>23,744</b>
Public	11,912	14,587	14,368	16,355	17,306
Private	4,415	5,016	5,232	5,837	6,439
<b>Health &amp; Social Work</b>	<b>13,124</b>	<b>16,317</b>	<b>18,000</b>	<b>19,080</b>	<b>17,611</b>
Public	9,203	11,950	13,371	14,313	12,748
Private	3,921	4,367	4,629	4,768	4,863
<b>Other Community, Social &amp; Personal Services</b>	<b>17,068</b>	<b>18,512</b>	<b>19,623</b>	<b>20,599</b>	<b>19,028</b>
Public	167	184	461	485	498
Private	15,759	17,135	17,969	18,868	17,358
Activities of private households	1,142	1,193	1,193	1,247	1,172
<b>Less FISIM</b>	<b>36,185</b>	<b>52,520</b>	<b>78,244</b>	<b>83,945</b>	<b>85,624</b>
<b>GROSS VALUE ADDED</b>					
in Basic Prices	499,114	616,697	683,961	783,425	713,387
<i>Growth Rate (%)</i>	17.45	23.56	10.91	14.54	(8.94)
Taxes on Products	80,174	105,949	112,217	105,955	83,170
Less Subsidies on Products	642	754	829	879	923
<b>GROSS DOMESTIC PRODUCT</b>					
in Market Prices	578,646	721,891	795,349	888,500	795,634
<i>Growth Rate (%)</i>	19.16	24.76	10.18	11.71	(10.45)

**GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY**  
**IN CONSTANT (2000) PRICES: 2000 - 2004**  
(In US\$'000)

ECONOMIC ACTIVITY	2000	2001	2002	2003	2004
<b>Agriculture &amp; Fishing</b>	<b>4,620</b>	<b>4,893</b>	<b>3,871</b>	<b>4,664</b>	<b>5,147</b>
Agriculture	645	913	883	925	831
Fishing	3,975	3,980	2,988	3,739	4,317
<b>Mining &amp; Quarrying</b>	<b>1,859</b>	<b>1,983</b>	<b>1,831</b>	<b>2,037</b>	<b>2,611</b>
<b>Manufacturing</b>	<b>10,844</b>	<b>9,678</b>	<b>8,265</b>	<b>9,173</b>	<b>9,322</b>
<b>Electricity &amp; Water Supply</b>	<b>12,021</b>	<b>12,383</b>	<b>15,160</b>	<b>15,159</b>	<b>19,135</b>
Electricity	10,478	10,463	12,919	12,493	15,509
Water	1,543	1,920	2,241	2,667	3,626
<b>Construction</b>	<b>23,240</b>	<b>24,784</b>	<b>22,893</b>	<b>25,464</b>	<b>32,636</b>
<b>Wholesale &amp; Retail Trade</b>	<b>12,652</b>	<b>13,003</b>	<b>13,771</b>	<b>15,068</b>	<b>17,512</b>
<b>Hotels &amp; Restaurants</b>	<b>98,931</b>	<b>108,070</b>	<b>100,043</b>	<b>106,652</b>	<b>113,564</b>
Accommodation	92,943	101,824	94,740	100,758	106,273
Restaurants	5,988	6,246	5,302	5,894	7,292
<b>Transport, Storage &amp; Communication</b>	<b>33,758</b>	<b>35,583</b>	<b>36,337</b>	<b>36,520</b>	<b>42,846</b>
Road Transport	2,878	2,903	2,715	2,920	3,101
Sea Transport	1,224	1,054	945	947	950
Air Transport	7,401	7,735	7,739	7,009	7,359
Auxillary Transport Activities & Storage	3,432	3,751	3,690	4,260	4,621
Communications	18,823	20,140	21,247	21,384	26,815
<b>Financial Intermediation</b>	<b>26,858</b>	<b>27,760</b>	<b>29,082</b>	<b>32,215</b>	<b>40,079</b>
Banks	24,497	24,502	23,959	25,679	28,944
Insurance	2,361	3,258	4,404	5,869	10,596
Auxillary Financial Intermediation	-	-	-	667	539
<b>Real Estate, Renting &amp; Business Activities</b>	<b>37,948</b>	<b>39,944</b>	<b>40,590</b>	<b>41,359</b>	<b>42,386</b>
Real Estate	4,246	4,332	4,481	4,566	4,588
Owner Occupied Dwellings	25,191	25,544	25,811	26,078	26,687
Renting of Machinery & Equipment	1,700	1,862	1,740	1,843	1,944
Computer & Related Services	285	427	807	854	949
Business Services	6,526	7,779	7,752	8,017	8,219
<b>Public Administration &amp; Defence;</b>					
<b>Compulsory Social Security</b>	<b>17,489</b>	<b>19,946</b>	<b>21,405</b>	<b>25,091</b>	<b>27,412</b>
<b>Education</b>	<b>9,214</b>	<b>10,162</b>	<b>11,014</b>	<b>11,071</b>	<b>11,419</b>
Public	6,928	7,641	8,281	8,324	8,387
Private	2,286	2,521	2,733	2,747	3,033
<b>Health &amp; Social Work</b>	<b>6,915</b>	<b>7,646</b>	<b>8,531</b>	<b>9,225</b>	<b>10,061</b>
Public	4,927	5,455	6,022	6,465	6,982
Private	1,988	2,191	2,510	2,760	3,079
<b>Other Community, Social &amp; Personal</b>					
<b>Services</b>	<b>10,287</b>	<b>11,026</b>	<b>11,917</b>	<b>13,288</b>	<b>14,163</b>
Public	113	103	107	126	131
Private	9,575	10,285	11,050	12,439	13,304
Activities of private households	599	638	760	723	728
<b>Less FISIM</b>	<b>22,262</b>	<b>21,753</b>	<b>20,412</b>	<b>16,583</b>	<b>19,571</b>
<b>GROSS VALUE ADDED</b>					
in Basic Prices	<b>284,375</b>	<b>305,109</b>	<b>304,298</b>	<b>330,403</b>	<b>368,724</b>
<i>Growth Rate (%)</i>	-	<i>7.29</i>	<i>(0.27)</i>	<i>8.58</i>	<i>11.60</i>
Taxes on Products	37,442	39,357	42,484	48,374	53,333
Less Subsidies on Products	2,373	2,519	859	551	708
<b>GROSS DOMESTIC PRODUCT</b>					
in Market Prices	<b>319,443</b>	<b>341,947</b>	<b>345,923</b>	<b>378,225</b>	<b>421,349</b>
<i>Growth Rate (%)</i>	-	<i>7.04</i>	<i>1.16</i>	<i>9.34</i>	<i>11.40</i>

**GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY**  
**IN CONSTANT (2000) PRICES: 2005-2009 Preliminary**  
(In US\$'000)

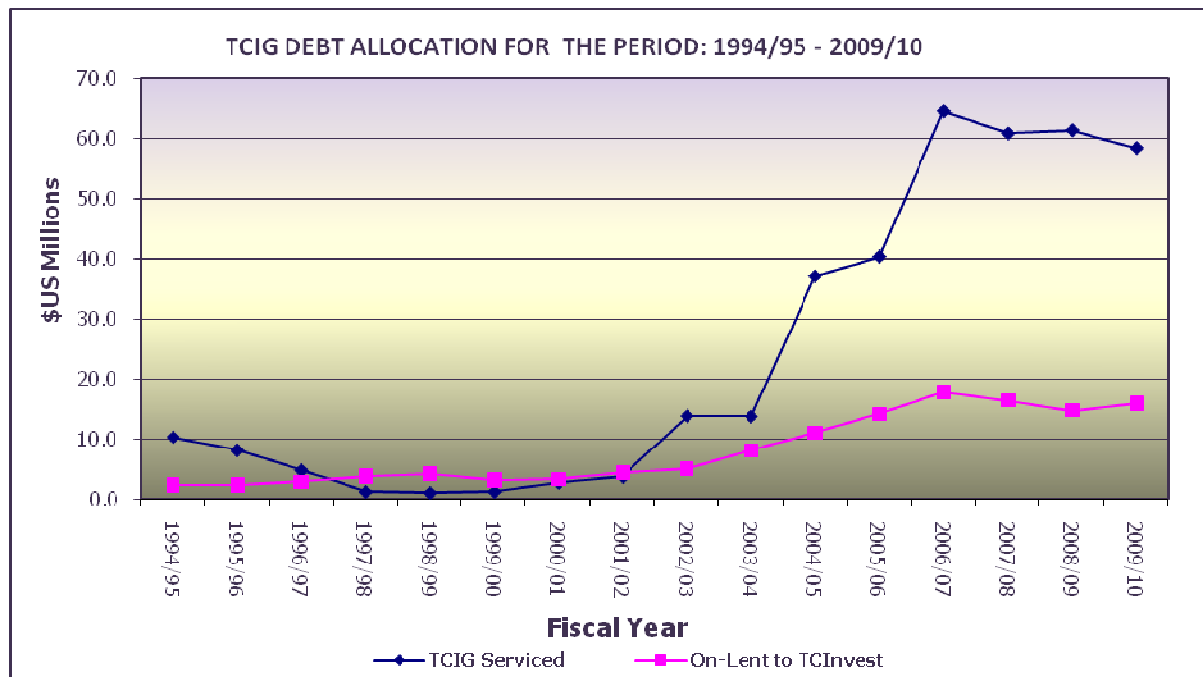
ECONOMIC ACTIVITY	2005	2006	2007	2008	2009
<b>Agriculture &amp; Fishing</b>	<b>5,450</b>	<b>5,542</b>	<b>5,358</b>	<b>4,100</b>	<b>4,230</b>
Agriculture	776	1,027	1,061	1,082	1,112
Fishing	4,675	4,514	4,297	3,018	3,119
<b>Mining &amp; Quarrying</b>	<b>3,250</b>	<b>4,833</b>	<b>5,036</b>	<b>5,177</b>	<b>500</b>
<b>Manufacturing</b>	<b>9,604</b>	<b>9,720</b>	<b>10,680</b>	<b>9,191</b>	<b>8,206</b>
<b>Electricity &amp; Water Supply</b>	<b>22,737</b>	<b>24,108</b>	<b>26,539</b>	<b>28,245</b>	<b>29,582</b>
Electricity	18,271	19,195	19,332	20,075	20,983
Water	4,466	4,913	7,206	8,170	8,599
<b>Construction</b>	<b>40,628</b>	<b>60,418</b>	<b>62,943</b>	<b>64,714</b>	<b>32,215</b>
<b>Wholesale &amp; Retail Trade</b>	<b>20,081</b>	<b>24,276</b>	<b>35,822</b>	<b>37,793</b>	<b>26,357</b>
<b>Hotels &amp; Restaurants</b>	<b>130,821</b>	<b>161,267</b>	<b>172,010</b>	<b>228,755</b>	<b>228,253</b>
Accommodation	122,801	152,484	162,642	216,296	215,822
Restaurants	8,020	8,783	9,368	12,459	12,431
<b>Transport, Storage &amp; Communication</b>	<b>48,178</b>	<b>50,350</b>	<b>63,409</b>	<b>68,185</b>	<b>68,171</b>
Road Transport	3,259	3,780	4,232	4,511	4,247
Sea Transport	962	996	1,529	1,395	1,380
Air Transport	7,456	8,052	8,535	9,138	9,118
Auxillary Transport Activities & Storage	4,600	4,734	4,604	4,587	4,566
Communications	31,901	32,787	44,508	48,555	48,861
<b>Financial Intermediation</b>	<b>47,595</b>	<b>61,704</b>	<b>75,203</b>	<b>76,038</b>	<b>72,487</b>
Banks	34,871	47,153	58,519	60,151	56,560
Insurance	12,185	14,013	15,525	14,574	14,433
Auxillary Financial Intermediation	539	539	1,159	1,313	1,495
<b>Real Estate, Renting &amp; Business Activities</b>	<b>44,945</b>	<b>47,921</b>	<b>50,604</b>	<b>51,863</b>	<b>511,188</b>
Real Estate	5,057	5,441	5,713	5,199	4,471
Owner Occupied Dwellings	27,103	28,043	29,753	30,301	31,209
Renting of Machinery & Equipment	2,246	2,789	2,975	3,956	3,948
Computer & Related Services	949	996	1,245	1,270	1,093
Business Services	9,589	10,651	10,918	11,136	10,468
<b>Public Administration &amp; Defence;</b>					
<b>Compulsory Social Security</b>	<b>31,015</b>	<b>31,087</b>	<b>49,435</b>	<b>45,936</b>	<b>43,300</b>
<b>Education</b>	<b>13,842</b>	<b>15,203</b>	<b>15,249</b>	<b>17,246</b>	<b>18,494</b>
Public	9,865	10,504	10,347	11,778	12,462
Private	3,977	4,698	4,902	6,468	6,031
<b>Health &amp; Social Work</b>	<b>11,159</b>	<b>12,368</b>	<b>13,628</b>	<b>14,435</b>	<b>13,361</b>
Public	7,791	8,797	9,843	10,536	9,384
Private	3,368	3,571	3,785	3,899	3,977
<b>Other Community, Social &amp; Personal</b>					
<b>Services</b>	<b>16,507</b>	<b>17,885</b>	<b>18,879</b>	<b>19,466</b>	<b>17,238</b>
Public	145	138	347	365	375
Private	15,529	16,873	17,659	18,189	16,006
Activities of private households	834	873	873	913	828
<b>Less FISIM</b>	<b>30,136</b>	<b>41,334</b>	<b>62,085</b>	<b>64,954</b>	<b>65,753</b>
<b>GROSS VALUE ADDED</b>					
<b>in Basic Prices</b>	<b>415,677</b>	<b>485,349</b>	<b>542,710</b>	<b>606,190</b>	<b>547,830</b>
<i>Growth Rate (%)</i>	<i>12.73</i>	<i>16.76</i>	<i>11.82</i>	<i>11.70</i>	<i>(9.63)</i>
Taxes on Products	66,771	83,383	79,901	74,050	57,024
Less Subsidies on Products	535	593	590	614	633
<b>GROSS DOMESTIC PRODUCT</b>					
<b>in Market Prices</b>	<b>481,914</b>	<b>568,138</b>	<b>622,021</b>	<b>679,626</b>	<b>604,222</b>
<i>Growth Rate (%)</i>	<i>14.37</i>	<i>17.89</i>	<i>9.48</i>	<i>9.26</i>	<i>(11.09)</i>

## DEBT INFORMATION

**Government of the TCI Public Debt Breakdown for the Period: 1993/94 - 2009/10**  
**US\$**

Year	TCIG Serviced	On-Lent to TC Invest	Other Loan Guarantees	Total Debt Liability
1993/94	10,769,115	1,770,205		12,539,320
1994/95	10,378,750	2,365,579		12,744,329
1995/96	8,207,940	2,412,836		10,620,776
1996/97	4,858,861	2,946,871		7,805,732
1997/98	1,297,071	3,907,502		5,204,573
1998/99	1,115,247	4,258,509		5,373,756
1999/00	1,325,741	3,245,207		4,570,948
2000/01	2,832,994	3,338,152		6,171,146
2001/02	3,793,190	4,442,755		8,235,945
2002/03	13,898,464	5,060,903		18,959,367
2003/04	13,941,535	8,151,797		22,093,332
2004/05	36,655,423	11,947,137	19,197,158	67,799,718
2005/06	40,055,349	18,534,490	11,368,210	69,958,049
2006/07	66,042,094	15,615,852	11,368,210	93,026,156
2007/08	60,916,290	16,329,400		77,245,690
2008/09	61,429,906	14,713,800		76,143,706
2009/10	58,509,505	15,854,000		74,363,505

2007/08- 2009/10 represents unaudited figures



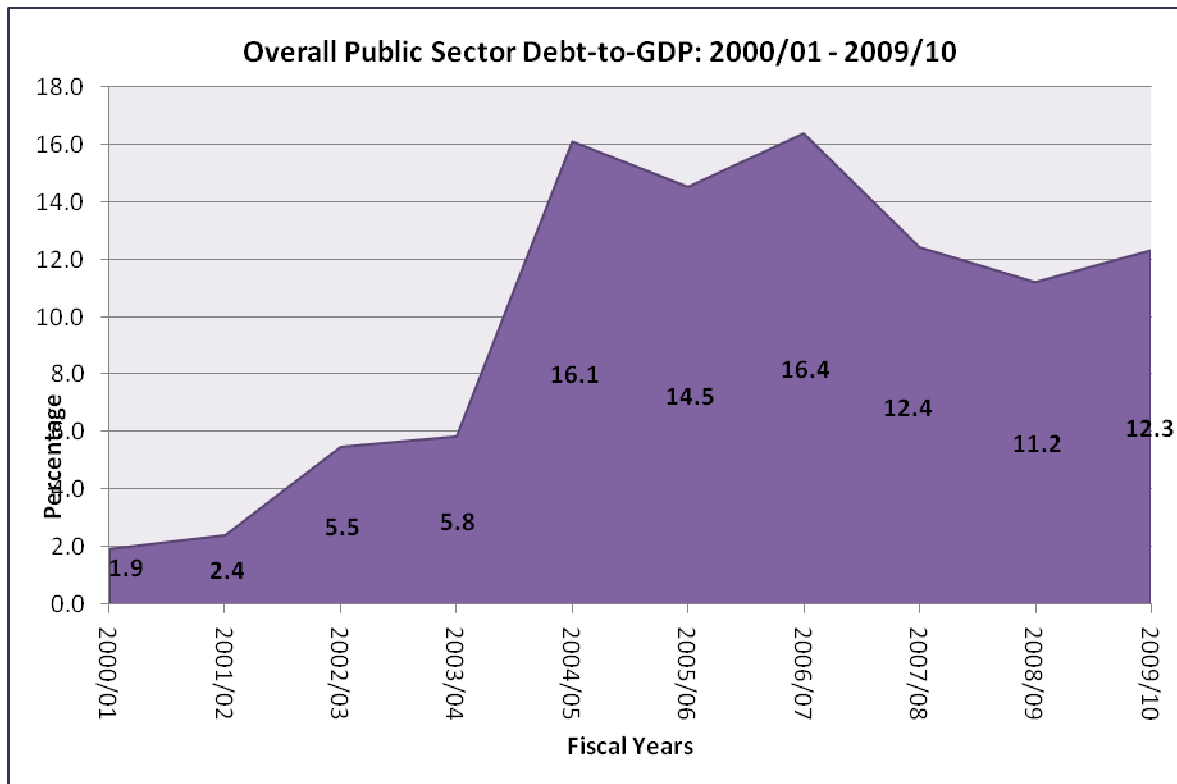
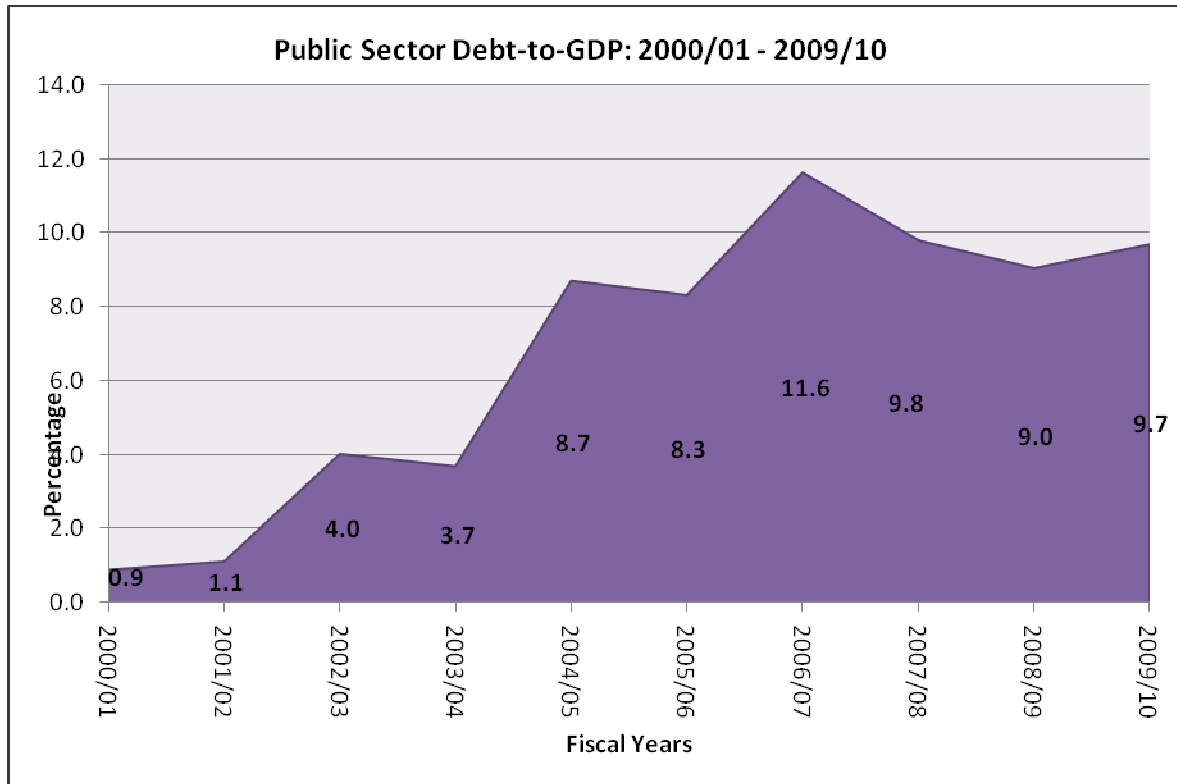


### Debt Indicators for the Period 2000/01 - 2004/05

INDICATORS	2000/01	2001/02	2002/03	2003/04	2004/05
Debt	2,832,994	3,793,190	13,898,464	13,941,535	36,655,423
Overall Debt	6,171,146	8,235,945	18,959,367	22,093,332	67,799,718
GDP	319,443,000	341,947,000	345,923,000	378,225,000	421,349,000
Public Sector Debt-to-GDP	0.9	1.1	4.0	3.7	8.7
Overall Public Sector Debt-to-GDP	1.9	2.4	5.5	5.8	16.1
Recurrent Revenue	73,685,281	76,726,998	83,469,667	104,228,155	116,549,625
Debt to Recurrent Revenue	23.1	22.4	24.1	27.6	27.7

### Debt Indicators for the Period 2005/06 - 2009/10

INDICATORS	2005/06	2006/07	2007/08	2008/09	2009/10
Debt	40,055,349	66,042,094	60,916,290	61,429,906	58,509,505
Overall Debt	69,958,049	93,026,156	77,245,690	76,143,706	74,363,505
GDP	481,914,000	568,138,000	622,020,900	679,625,600	604,221,800
Public Sector Debt-to-GDP	8.3	11.6	9.8	9.0	9.7
Overall Public Sector Debt-to-GDP	14.5	16.4	12.4	11.2	12.3
Recurrent Revenue	159,800,840	203,377,362	206,764,563	197,723,378	131,389,951
Debt to Recurrent Revenue	25.1	32.5	29.5	31.1	44.5



**FISCAL ACCOUNTS – REVENUE AND EXPENDITURE**

**Fiscal Accounts - Revenue & Expenditure  
1990 - 1994/95**

Unit: US \$ '000

DETAILS	Unaudited ^ 1990/91	Unaudited ^ 1991/92	Unaudited ^ 1992/93	Actual * 1993/94	Actual * 1994/95
<b><u>RECURRENT</u></b>	<b>Unit: US \$ '000</b>			<b>Unit: US \$</b>	
<b>1. Recurrent Revenue</b>	22,508	26,581	30,016	27,317,788	33,132,418
<b>2. Recurrent Expenditure</b>	24,333	25,849	29,120	28,038,673	31,751,002
<b>3. Recurrent Surplus/(Deficits)</b>	<b>(1,825)</b>	<b>732</b>	<b>896</b>	<b>(720,885)</b>	<b>1,381,416</b>
<b><u>DEVELOPMENT/CAPITAL</u></b>					
<b>4. Development/Capital Revenue</b>	<b>5,269</b>	<b>20,390</b>	<b>25,905</b>	<b>9,678,773</b>	<b>4,992,095</b>
4.1 Local Capital Revenue	0	0	0	0	0
4.2 Grants	5,269	20,390	25,905	9,678,773	4,992,095
4.3 Loan drawdown during the year	0	0	0	0	0
<b>5. Development Expenditure</b>	<b>5,381</b>	<b>20,390</b>	<b>25,905</b>	<b>9,868,517</b>	<b>4,738,625</b>
5.1 Total TCIG Funded				9,000	714
5.3 Grant Funded	5,381	20,390	25,905	9,859,517	4,737,911
5.4 Loan Funded				0	0
<b>6. Development Surplus/(Deficit)</b>	<b>(112)</b>	<b>0</b>	<b>0</b>	<b>(189,744)</b>	<b>253,470</b>
<b>7. Total Revenue</b>	27,777	46,971	55,921	36,996,561	38,124,513
<b>8. Total Expenditure</b>	29,714	46,239	55,025	37,907,190	36,489,627
<b>9. Total TCIG Surplus/(Deficit)</b>	<b>(1,937)</b>	<b>732</b>	<b>896</b>	<b>(910,629)</b>	<b>1,634,886</b>
<b>10. Wages and Salaries ^ &lt;</b>	13,520	13,912	16,196	14,515	17,378

^ = Statistical Yearbook 1995

\* = Source TCIG Reports

< = \$ '000

**Fiscal Accounts - Revenue & Expenditure  
1995/96 - 1999/00**

Unit: US \$

DETAILS	Actual 1995/96	Actual 1996/97	Actual 1997/98	Actual 1998/99	Actual 1999/00
<b><u>RECURRENT</u></b>					
<b>1. Recurrent Revenue</b>	37,803,989	41,223,672	50,601,003	57,740,288	63,191,267
<b>2. Recurrent Expenditure</b>	35,362,696	38,780,171	50,272,123	53,558,830	58,460,123
<b>3. Recurrent Surplus/(Deficits)</b>	<b>2,441,293</b>	<b>2,443,501</b>	<b>328,880</b>	<b>4,181,458</b>	<b>4,731,144</b>
<b><u>DEVELOPMENT/CAPITAL</u></b>					
<b>4. Development/Capital Revenue</b>	<b>7,672,135</b>	<b>5,558,031</b>	<b>9,041,579</b>	<b>9,737,089</b>	<b>10,981,079</b>
<i>4.1 Local Capital Revenue</i>	4,272,135	3,497,390	7,046,600	7,000,000	6,046,000
<i>4.2 Grants</i>	3,400,000	2,060,641	1,994,979	2,737,089	4,935,079
<i>4.3 Loan drawdown during the year</i>	0	0	0	0	0
<b>5. Development Expenditure</b>	<b>4,257,984</b>	<b>3,344,469</b>	<b>6,836,567</b>	<b>8,201,115</b>	<b>14,014,024</b>
<i>5.1 Total TCIG Funded</i>	0	999,901	5,036,275	5,417,879	10,376,505
<i>5.3 Grant Funded</i>	4,257,984	2,344,568	1,800,292	2,783,236	3,637,519
<i>5.4 Loan Funded</i>	0	0	0	0	0
<b>6. Development Surplus/(Deficit)</b>	<b>3,414,151</b>	<b>2,213,562</b>	<b>2,205,012</b>	<b>1,535,974</b>	<b>(3,032,945)</b>
<b>7. Total Revenue</b>	45,476,124	46,781,703	59,642,582	67,477,377	74,172,346
<b>8. Total Expenditure</b>	39,620,680	42,124,640	57,108,690	61,759,945	72,474,147
<b>9. Total TCIG Surplus/(Deficit)</b>	<b>5,855,444</b>	<b>4,657,063</b>	<b>2,533,892</b>	<b>5,717,432</b>	<b>1,698,199</b>
<b>10. Wages and Salaries ^</b>	17,567,000	18,787,000	22,288,000	24,348,833	17,567,000

^ = Statistical Yearbook 2000

Source: TCIG Audit Reports

**Fiscal Accounts - Revenue & Expenditure  
2000/01 - 2004/05**

Unit: US \$

DETAILS	Actual 2000/01	Actual 2001/02	Actual 2002/03	Actual 2003/04	Actual 2004/05
<b><u>RECURRENT</u></b>					
<b>1. Recurrent Revenue</b>	73,685,281	76,726,998	83,469,667	104,228,155	116,549,625
<b>2. Recurrent Expenditure</b>	65,394,932	76,253,783	78,690,450	93,186,825	122,102,771
<b>3. Recurrent Surplus/(Deficits)</b>	<b>8,290,349</b>	<b>473,215</b>	<b>4,779,217</b>	<b>11,041,330</b>	<b>(5,553,146)</b>
<b><u>DEVELOPMENT/CAPITAL</u></b>					
<b>4. Development/Capital Revenue</b>	<b>9,554,107</b>	<b>10,627,878</b>	<b>21,595,087</b>	<b>13,839,540</b>	<b>45,148,190</b>
<i>4.1 Local Capital Revenue</i>	6,000,000	7,534,168	10,801,055	13,298,465	20,449,859
<i>4.2 Grants</i>	1,792,783	2,024,445	512,855	541,075	1,698,331
<i>4.3 Loan drawdown during the year</i>	1,761,324	1,069,265	10,281,177	-	23,000,000
<b>5. Development Expenditure</b>	<b>12,079,899</b>	<b>12,408,398</b>	<b>16,208,421</b>	<b>19,336,329</b>	<b>32,290,237</b>
<i>5.1 Total TCIG Funded</i>	8,712,248	9,718,128	11,305,505	13,298,465	20,660,844
<i>5.3 Grant Funded</i>	1,128,840	2,127,176	2,112,469	202,471	1,411,445
<i>5.4 Loan Funded</i>	2,238,811	563,094	2,790,447	5,835,393	10,217,948
<b>6. Development Surplus/(Deficit)</b>	<b>(2,525,792)</b>	<b>(1,780,520)</b>	<b>5,386,666</b>	<b>(5,496,789)</b>	<b>12,857,953</b>
<b>7. Total Revenue</b>	83,239,388	87,354,876	105,064,754	118,067,695	161,697,815
<b>8. Total Expenditure</b>	77,474,831	88,662,181	94,898,871	112,523,154	154,393,008
<b>9. Total TCIG Surplus/(Deficit)</b>	<b>5,764,557</b>	<b>(1,307,305)</b>	<b>10,165,883</b>	<b>5,544,541</b>	<b>7,304,807</b>
<b>10. Wages and Salaries ^</b>		1,331	7,876	10,580	9,028

^ =

\* = Source TCIG Audit Reports

**Fiscal Accounts - Revenue & Expenditure  
2005/06-2009/10**

Unit: US \$ '000

DETAILS	Actual 2005/06	Actual 2006/07	Unaudited* 2007/08	Unaudited* 2008/09	Unaudited* 2009/10
<b><u>RECURRENT</u></b>					
<b>1. Recurrent Revenue</b>	159,800,840	203,377,362	206,764,563	197,723,378	131,389,951
<b>2. Recurrent Expenditure</b>	141,973,062	199,924,948	236,337,860	238,167,254	162,222,090
<b>3. Recurrent Surplus/(Deficits)</b>	<b>17,827,778</b>	<b>3,452,414</b>	<b>(29,573,297)</b>	<b>(40,443,876)</b>	<b>(30,832,139)</b>
<b><u>DEVELOPMENT/CAPITAL</u></b>					
<b>4. Development/Capital Revenue</b>	<b>26,137,864</b>	<b>79,825,536</b>	<b>66,603,757</b>	<b>2,603,650</b>	<b>2,208,573</b>
<i>4.1 Local Capital Revenue</i>	21,668,109	46,651,104			
<i>4.2 Grants</i>	119,755	5,174,432			
<i>4.3 Loan drawdown during the year</i>	4,350,000	28,000,000			
<b>5. Development Expenditure</b>	<b>36,258,859</b>	<b>79,356,789</b>	<b>77,888,085</b>	<b>37,872,821</b>	<b>10,899,794</b>
<i>5.1 Total TCIG Funded</i>	22,071,885	49,303,189	54,106,586		
<i>5.3 Grant Funded</i>	488,833	1,167,539	11,716,365		
<i>5.4 Loan Funded</i>	13,698,141	28,886,061	12,065,134		
<b>6. Development Surplus/(Deficit)</b>	<b>(10,120,995)</b>	<b>468,747</b>	<b>(11,284,328)</b>	<b>(35,269,171)</b>	<b>(8,691,221)</b>
<b>7. Total Revenue</b>	185,938,704	283,202,898	273,368,320	200,327,028	133,598,524
<b>8. Total Expenditure</b>	178,231,921	279,281,737	314,225,945	276,040,075	173,121,884
<b>9. Total TCIG Surplus/(Deficit)</b>	<b>7,706,783</b>	<b>3,921,161</b>	<b>(40,857,625)</b>	<b>(75,713,047)</b>	<b>(39,523,360)</b>
<b>10. Wages and Salaries</b>					

**Source: TCIG Audit Department**

2008/09- 2009/10 Development Capital Revenue and Expenditure taken from the medium term budget strategy report

2007/08 Development Revenue and Expenditure taken from Appropriation Ordinance 2008

**Selected Items of Revenue and Expenditure  
1995/96 - 1999/00**

Unit: US \$

ITEMS	Actual 1995/96	Actual 1996/97	Actual 1997/98	Actual 1998/99	Actual 1999/00
Import Duty	15,141,924	15,986,465	18,793,480	22,239,372	26,241,616
Export Duty	164,787	136,470	128,984	127,771	109,687
Stamp Duty on Land Transfer	2,675,434	3,580,548	3,786,694	9,229,248	6,540,576
Accommodation Tax	2,787,684	3,493,842	3,666,446	3,721,303	4,691,654
Work Permit & Residency Fees	2,123,259	2,614,065	3,400,252	3,807,172	4,162,754
Annual Renewal Fees Company	1,921,829	2,233,263	2,728,773	2,581,583	3,551,940
Cargo Dues	1,009,317	995,042	1,293,784	1,709,092	2,020,029
Airport Departure Tax	874,402	976,805	1,099,815	1,211,242	1,424,832
Communications Tax	1,230,148	919,279	1,367,004	1,328,151	1,218,680
Business License Renewal	661,475	514,394	724,759	796,846	794,589
Cable & Wireless License Fees	422,483	684,284	1,614,460	1,645,314	626,568
Airport Security Tax	447,990	491,585	545,688	628,610	712,416
Excess Profit Tax	0	0	0	0	823,664
Gaming License	391,052	325,343	454,372	352,122	483,075
Interest Income	41,921	403	305	351	792,643
<b>Sub - Total Selected Items</b>	<b>29,893,705</b>	<b>32,951,788</b>	<b>39,604,816</b>	<b>49,378,177</b>	<b>54,194,723</b>
<b>Total Recurrent Revenue</b>	<b>37,803,989</b>	<b>41,223,672</b>	<b>50,601,003</b>	<b>57,740,288</b>	<b>63,191,267</b>
<b>Selected Items as % of Total Recurrent Revenue</b>	<b>79.1</b>	<b>79.9</b>	<b>78.3</b>	<b>85.5</b>	<b>85.8</b>
<b>Total Recurrent Expenditure</b>	<b>35,362,696</b>	<b>38,780,171</b>	<b>50,272,123</b>	<b>53,558,830</b>	<b>58,460,123</b>
<b>Total Development Expenditure</b>	<b>4,257,984</b>	<b>3,344,469</b>	<b>6,836,567</b>	<b>8,201,115</b>	<b>14,014,024</b>
<b>TOTAL EXPENDITURE</b>	<b>39,620,680</b>	<b>42,124,640</b>	<b>57,108,690</b>	<b>61,759,945</b>	<b>72,474,147</b>

Source: TCIG Audit Reports

**Selected Items of Revenue and Expenditure  
2000/01 - 2004/05**

Unit: US \$

ITEMS	Actual 2000/01	Actual 2001/02	Actual 2002/03	Actual 2003/04	Actual 2004/05
Import Duty	27,509,835	29,175,897	31,706,102	34,937,826	41,587,343
Export Duty	143,073	172,664	119,915	142,448	147,102
Stamp Duty on Land Transfer	11,376,222	7,955,353	9,784,706	20,097,749	19,508,071
Accommodation Tax	6,746,619	7,734,656	8,921,812	10,165,040	10,434,909
Work Permit & Residency Fees	4,369,320	6,359,033	8,198,472	8,179,802	9,544,269
Annual Renewal Fees Company	3,118,914	3,538,379	3,087,880	2,832,120	2,805,480
Cargo Dues	1,594,746	1,625,491	1,749,304	1,883,454	2,391,838
Airport Departure Tax	1,645,126	2,216,748	2,824,687	3,439,035	3,962,897
Communications Tax	1,264,054	2,183,866	1,524,965	3,665,391	2,781,241
Business License Renewal	1,050,171	836,460	1,126,609	1,286,300	1,151,707
Cable & Wireless License Fees	900,365	1,346,797	878,636	1,213,386	1,749,366
Airport Security Tax	752,608	807,256	926,910	1,081,470	984,222
Excess Profit Tax	0	1,259,000	1,219,00	1,412,000	0
Gaming License	599,530	715,816	73,134	100,458	46,750
Interest Income	644,914	318,176	78,805	24,551	45,567
<b>Sub - Total Selected Items</b>	<b>61,715,497</b>	<b>66,245,592</b>	<b>62,803,465</b>	<b>90,461,030</b>	<b>97,140,762</b>
<b>Total Recurrent Revenue</b>	<b>73,685,281</b>	<b>76,726,998</b>	<b>83,469,667</b>	<b>104,228,155</b>	<b>116,549,625</b>
<b><i>Selected Items as % of Total Recurrent Revenue</i></b>	<b>83.8</b>	<b>86.3</b>	<b>75.2</b>	<b>86.8</b>	<b>83.3</b>
<b>Total Recurrent Expenditure</b>	<b>65,394,932</b>	<b>76,253,783</b>	<b>78,690,450</b>	<b>93,186,825</b>	<b>122,102,771</b>
<b>Total Development Expenditure</b>	<b>12,079,899</b>	<b>12,408,398</b>	<b>16,208,421</b>	<b>19,336,329</b>	<b>32,290,237</b>
<b>TOTAL EXPENDITURE</b>	<b>77,474,831</b>	<b>88,662,181</b>	<b>94,898,871</b>	<b>112,523,154</b>	<b>154,393,008</b>

Source: TCIG Audit Reports



**Selected Items of Revenue and Expenditure  
2005/06-2009/10**

Unit: US \$

ITEMS	Actual 2005/06	Actual 2006/07	Unaudited* 2007/08	Unaudited* 2008/09	Unaudited* 2009/10
Import Duty	55,674,917	73,893,509	75,089,635	70,818,280	50,029,099
Export Duty	205,176	154,827	137,785	71,915	61,154
Stamp Duty on Land Transfer	31,830,543	40,087,365	36,200,715	44,104,707	11,788,755
Accommodation Tax	13,708,873	17,908,847	20,267,650	19,749,633	20,945,528
Work Permit & Residency Fees	15,747,774	18,081,509	18,935,368	18,252,272	12,159,314
Annual Renewal Fees Company	2,924,270	3,380,832	828,625		
Cargo Dues	2,957,077	4,463,285	4,500,667	3,964,226	2,664,755
Airport Departure Tax	4,421,839	3,945,229	4,154,823	540	*
Communications Tax	3,451,406	2,951,839	6,037,362	4,992,150	3,601,392
Business License Renewal	1,570,347	2,167,756	2,090,168	2,681,166	1,930,149
Telecommunication License			2,824,848	3,036,323	4,043,492
Cable & Wireless License Fees	1,455,380	1,252,293			
Airport Security Tax	2,399,139	3,118,271	2,497,255	2,497,255	*
Excess Profit Tax	955,000	0	0	0	0
Gaming License	111,000	145,000	214,000	115,000	182,500
Interest Income	105,532	833,371	70,134	37,043	27,821
<b>Sub - Total Selected Items</b>	<b>137,518,273</b>	<b>172,383,933</b>	<b>173,849,035</b>	<b>170,320,510</b>	<b>107,433,959</b>
<b>Total Recurrent Revenue</b>	<b>159,800,840</b>	<b>203,377,362</b>	<b>206,764,563</b>	<b>197,723,378</b>	<b>131,389,951</b>
<b>Selected Items as % of Total Recurrent Revenue</b>	<b>86.1</b>	<b>84.8</b>	<b>84.1</b>	<b>86.1</b>	<b>81.8</b>
<b>Total Recurrent Expenditure</b>	<b>141,973,062</b>	<b>199,924,948</b>	<b>236,337,860</b>	<b>238,167,254</b>	<b>162,222,090</b>
<b>Total Development Expenditure</b>	<b>36,258,859</b>	<b>79,356,789</b>	<b>77,888,085</b>	<b>37,872,821</b>	<b>10,899,794</b>
<b>TOTAL EXPENDITURE</b>	<b>178,231,921</b>	<b>279,281,737</b>	<b>314,225,945</b>	<b>276,040,075</b>	<b>173,121,884</b>

Source: TCIG Audit Reports

\* Collected by Airport Authority

**Fiscal Accounts - Funds Movements  
1994 - 1999/00**

Unit: US \$ '000

	Actual 1994/95	Actual 1995/96	Actual 1996/97	Actual 1997/98	Actual 1998/99	Actual 1999/00
<b>21. Balance All Funds (March)</b>	(4,637)	1,219	5,876	11,514	17,631	13,719
<i>21.1 Net Charge All Fund balances</i>	2,353	5,855	4,657	5,638	6,117	(3,912)
<b>22. Consolidated Fund Balance (March)</b>	(4,683)	(2,242)	202	530	4,712	2,687
<i>22.1 Consolidated Fund Net Change</i>	2,099	2,441	2,444	329	4,181	(2,025)
22.1.1 Receipts	33,850	37,804	41,224	50,601	57,740	63,191
22.1.2 Payments	31,751	35,363	38,780	50,272	53,559	65,216
<b>23. Development Fund Balance (March)</b>	47	3,461	5,674	7,879	9,415	6,382
23.1 Balance TCIG	0	3,400	5,600	7,610	9,192	4,861
23.2 Balance Grants/Loans	47	61	74	269	223	1,520
<i>23.1 Development Fund Net Change</i>	254	3414	2214	2204	1536	(3,033)
23.1.i Net Change TCIG	(1)	3,400	2,200	2,010	1,582	(4,331)
23.1.ii Net change Grants/Loans	255	14	13	195	(46)	1,298
<b>24. Reserve Fund Balance (March)</b>	0	0	0	3,105	3,505	4,000
24.1 Reserve Fund net Change	0	0	0	3,105	400	495
<b>25. Conservation Fund Balance (March)</b>	0	0	0	0	0	651
25.1 Conservation Fund Net Change	0	0	0	0	0	651
<b>26. Balance all funds</b>	(4637)	1,219	5,876	11,514	17,631	13,719
26.1 TCIG Funds	(4,683)	1,158	5,802	11,245	17,409	12,199
26.2 External Funds	47	61	74	269	223	1,520
<b>27. TCIG Liquid Assets</b>	<b>(4,683)</b>	<b>1,158</b>	<b>5,802</b>	<b>11,245</b>	<b>17,409</b>	<b>11,548</b>

Source: Government of TCI Budget Estimates & Government Accounts

## BUSINESS ACTIVITY

### Total Number of Companies Registered by Type of Company 2001 - 2009

TYPE OF COMPANY	Year									Unit: No.
	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Foreign	191	199	202	193	215	21	14	60	15	
Ordinary	3,196	3,509	3,537	3,817	4,514	864	751	606	384	
Exempted	13,238	13,952	12,544	11,622	12,684	1,116	1,270	1,201	720	
Limited Life	71	75	73	57	59	1	0	2	2	
Limited Partnership	18	20	17	20	24	6	15	14	3	
<b>TOTAL</b>	<b>16,714</b>	<b>17,755</b>	<b>16,373</b>	<b>15,709</b>	<b>17,496</b>	<b>2,008</b>	<b>2,050</b>	<b>1,883</b>	<b>1,124</b>	

Source: Registrar of Companies

## Annex A : GDP estimates : methodology

### Section 1 : Approaches Used to Derive the Gross Domestic Product

There are three different approaches that are used to derive the gross domestic product. These consist of the production, income and expenditure approach.

The production approach consists of deducting intermediate consumption from the gross value of output. Intermediate consumption consists of non-durable goods and services purchased by producers and used up as inputs in the process of production. Intermediate consumption excludes other production costs, such as labour costs, financial costs and production taxes. This approach is particularly suitable for estimating value added for the commodity producing sectors of the economy such as agriculture, fishing and mining and quarrying where basic data on production are generally available.

The income approach consists of summing the estimates of compensation of employees, consumption of fixed capital, taxes less subsidies on production and operating surplus. These are the income components that make up value added. This approach is more commonly used in the case of services since data on gross output and intermediate consumption may not be readily available.

- **Compensation of employees** is equal to the total remuneration in cash or in kind payable by employers to employees for the work done. Direct social transfers from employers to their employees or retired employees and their family, such as payments for sickness, educational grants and pensions that do not set up an independent fund, are also imputed to compensation of employees.
- **Consumption of fixed capital** is the cost of fixed assets used up in production in the accounting period.
- **Other taxes less subsidies on production** are taxes payable by employers to carry out production, irrespective of sales or profitability. They may be payable as license fees, or as taxes on the ownership and use of land, buildings or other assets used in production. They are not taxes paid on values of sales or produced outputs, which are called taxes on products.
- **Gross operating surplus** is the residual obtained from deducting the above components from value added. Thus gross operating surplus includes interest payable to lenders of financial assets, rent of land, royalties, and profits.

The expenditure approach consists of the sum of the estimates of final consumption of households, consumption expenditure of government, private non-profit services serving households and gross capital formation adjusted of imports and exports of goods and services.

Theoretically, all three methods of measuring gross domestic product should give identical results, as each of these methods is designed to serve as an independent check on the accuracy of the overall totals. In practice, however, discrepancies may

occur due to the lack of communication and co-ordination among the various agencies and offices involved in the collection of information.

## **Estimation of Gross Domestic Product by Economic Activity**

The following paragraphs provide an overview of the sources and methods used to compile the gross value added for each economic activity in current and constant prices. The data limitations are also highlighted. The GDP at market prices is derived by summing the gross value added of all the economic activities, deducting an imputation for FISIM<sup>1</sup> and adding taxes less subsidies on products.

### **Agriculture**

#### Coverage

This industry covers:

- Production of crops
- Livestock production
- Agricultural and horticultural services
- Landscaping

#### Current Price Estimation

The value added for this sector was derived from the gross wages and salaries obtained from the records of the National Insurance Board. It was not possible to use the production approach to estimate the value added for this sector since data on crop and livestock production were not available.

#### Constant Price

The constant price estimates were obtained by deflating the current price value added by the CPI.

#### Sources of Data

National Insurance Board (gross wages and salaries)

#### Data Limitations

Lack of detailed data on the quantity and price of livestock production (cows, sheep, pigs, goats, poultry slaughtered) main crops produced, as well as data on intermediate inputs.

### **Fishing and Fish Farming**

#### Coverage

This industry covers:

- Fish landed by fishermen
- The operation of fish hatcheries and fish farms

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<sup>1</sup>FISIM is financial intermediation services indirectly measured. It is an indirect measure of the value of financial intermediation services provided but for which financial institutions do not charge explicitly.

### Current Price Estimation

The production approach was used to derive the value added for this sector. The Department of Environment and Coastal Resources provided data on the quantity and price of lobster, conch, and fish purchased by the fish processors from the fishermen. Estimates were made for the quantity and price of lobster, conch and fish purchased directly from the fishermen by the hotels, restaurants, supermarkets and households. The value of output was obtained by multiplying the quantity of fish and shellfish purchased by the price paid to the fishermen.

Data on intermediate inputs were estimated at 10 per cent of output based on data obtained from a recent survey of fishermen operating in Grand Turk and South Caicos.

For the conch farms, data were obtained from the survey of business establishment. The value added was calculated using both the income and the production approach. The value added was then added to that of the fishing activity to arrive at an estimate for Fishing and Fish farming.

### Constant Price

The constant price estimates for fishing were obtained by multiplying the prices in 2000, which is the base year by the current quantities of fishery produced. The result provided the value of output at the base year prices. The intermediate inputs were estimated at 10 per cent, that is the ratio of input to output in the base year. The value added was calculated by subtracting intermediate inputs from the value of output at base year prices.

### Sources of Data

Department of Environment and Coastal Resources  
Business Establishment Survey  
Survey of Fishermen

### Data Limitations

Department of Environment and Coastal Resources was unable to provide data on fish purchased by hotels, restaurants, supermarkets and households. The sample size of fishermen surveyed by the Statistical Office should be increased to at least 47 in order to provide more reliable estimates. The last survey covered only 12 fishermen operating in both Grand Turk and South Caicos. The sample size required for a population of 176 fishermen with a confidence level of 95% a 15% margin of error would be 35.

## **Mining and Quarrying**

### Coverage

This industry covers:

- Stone quarrying
- Extraction of sand

- Extraction of gravel
- Extraction of clay

#### Current Price Estimation

This is a relatively small sector, contributing less than 1 per cent to the GDP in 2009, nevertheless, it is of importance since the output is entirely used in the construction sector. Although the number of establishments in this activity is small, the quantity of production estimates is seriously compromised by the lack of response from the firms engaged in this activity. The value added has been estimated indirectly, at 8 per cent of construction, given the relationship between mining and construction sector.

#### Constant Price Estimation

The value added for this sector was estimated at 8 per cent of construction value added in constant prices. A greater effort should be made to obtain data on quantity and value of aggregates produced as well as inputs from the firms engaged in this activity.

#### Sources of Data

Value added estimates of the construction sector.

#### Data Limitations

Lack of data on the quantity and price of aggregates sold.

Lack of data on intermediate inputs.

Lack of data on sand removed illegally from beaches and used for construction purposes.

## **Manufacturing**

#### Coverage

Manufacturing includes establishments classified in ISIC Rev. 3.1 major group 3. The manufacturing industry in TCI is comprised of the following sub-sectors:

- Processing of Fish and Fish Products
- Manufacture of Bakery Products
- Manufacture of Wood and Wood Products
- Printing and services relating to printing
- Manufacture of Concrete and Cement Blocks

#### Current Price Estimation

The current price estimates were derived on the basis of the quantity of lobster, conch and fish purchased by the fish processors that was obtained from the Department of Environment and Coastal Resources. Set ratios were applied to the purchased quantities of fishery products to arrive at the processed quantities. The current value of output was derived by multiplying the current price per pound, by the quantity of fish and shellfish produced. Intermediate consumption was derived by estimating the value of raw materials used and other operating costs. Value added in current prices was obtained by subtracting the value of intermediate consumption from the value of output.

For concrete and cement block production, the total output was estimated based on the value of sales. The production approach was used to derive the value added. For the other manufactured goods, the value added was derived using the income approach. Gross wages and salaries were obtained from the National Insurance Board. The value added for each sub-sector was obtained by dividing the gross wages and salaries by a ratio of compensation of employees to value added.

#### Constant Price Estimation

For fish processing, the quantity of fishery products were re-valued at the base year price and a volume index was used to extrapolate the base year value added. For the other manufactured goods, the value added in current prices was deflated by the CPI.

#### Sources of Data

Survey of Business Establishment  
Department of Environment and Coastal Resources  
Prices obtained from Fish Processors  
Survey of Fishermen  
National Insurance Board (gross wages and salaries)

#### Data Limitations

Low response to the survey of business establishments  
Limited data available for small scale manufacturing establishments  
Lack of data on industrial production

## **Electricity and Water**

#### Coverage

This industry covers:

- The generation, transmission and distribution of electric energy for sale to household, government, industrial and commercial users.
- Collection, purification and distribution of water to household, government, industrial and commercial users.

#### Current Price Estimation

For this sector, the value added estimates were derived from data obtained from the business establishment survey as well as data from the annual financial reports of the electricity and water companies. The gross output, intermediate consumption, compensation of employees, depreciation, operating surplus and taxes on production were calculated based on the data obtained from the business establishment survey and the annual financial reports. Estimates of value added for water undertakings were obtained from the TCI Budget Estimates and included in this sub-sector.



### Constant Price Estimation

For electricity, the constant prices were derived by deflating the current price value added by a price index based on the cost of electricity consumed in kilowatt hour.

For water, a volume index based on the quantity of water produced was used to extrapolate the base year value added.

### Sources of Data

Survey of Business Establishment  
Annual Financial Reports of Electricity and Water Companies  
Electricity Commission's Office

### Data Limitations

Unwillingness of some companies to respond to the annual survey of business establishments or provide annual financial statements

## **Construction**

### 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.

### Current Price Estimation

The value of output for construction is obtained using the commodity flow approach. Labour payments and expenditure on raw materials comprise the major components of gross output of the construction industry, hence estimating the gross output involves measuring each of these components. Value added in current prices is obtained by applying to gross output a ratio of value added to gross output. The method is very comprehensive and used by most countries to derive the gross value added. It consists of the following:

- identification and extraction from imports and domestic production, statistics of goods, which may be considered as building and construction materials.
- allocation of materials to construction and other use
- adjustment for re-exports, import duties, trade and transport margins
- estimation of the percentage share of the cost of the materials used in the total cost of construction
- estimation of the value added

In the TCI, the trade statistics is reported in f.o.b. values. The c.i.f. value was derived by dividing the f.o.b. by .93, since insurance was estimated at 2 per cent and freight as 5 per cent of c.i.f. value.

#### Constant Price Estimation

For constant prices, an index of the cost of construction was used to deflate the current price estimates. This consists of an index of the unit cost of around 77 main items used for construction purposes, and an index of wage rates of different construction workers, each index weighted according to their value in the base year.

#### Sources of Data

Import trade statistics

Survey of Business Establishments for Construction Sector

Average unit prices of various construction materials

Wage rates of construction workers

#### Data Limitations

Incomplete coverage of site inspection data obtained from the Planning Department, which could be used to crosscheck the estimates derived using the commodity-flow approach.

Low response and inaccurate data obtained from the survey of business establishments of construction companies. Construction is usually carried out by numerous enterprises that are small and informal. Data collection and obtaining sufficient coverage from construction businesses, can, therefore, be particularly difficult.

### **Wholesale and Retail Trade**

#### Coverage

This industry covers establishments engaged in wholesale and retail trade in both new and second hand goods, including commission and agency trade, and the sale of gas, automotive fuel and other petroleum products. The industry also covers establishments repairing and maintaining motor vehicles and motorcycles, and repairing personal and household goods, e.g., footwear and electrical household appliances.

### **Current Price Estimation**

The gross output of the wholesale and retail sector refers to the gross margins on goods purchased for resale in the same condition as purchased. The commodity-flow approach was used to derive the gross output for this sector. A list with the names of the various wholesale and retail importers was obtained from customs. The value of imports were extracted from the trade statistics, and average mark-ups obtained from the Business Opinion Survey were applied to the importation of goods entering into wholesale and retail trade. This provided the gross output for this industry. Intermediate consumption was estimated at 26 per cent of the value of output.

### **Constant Price Estimation**

The constant price estimates were obtained by deflating the current price value added by an index of consumer prices.

### **Sources of Data**

Trade Statistics  
Business Opinion Survey  
Survey of Business Establishments

#### Data Limitations

The low response to the survey of business establishments  
The use of a fixed ratio to estimate intermediate consumption in the absence of reliable data from the survey of business establishments

### **Hotels and Restaurants**

#### Coverage

This industry covers the activities of all types of registered accommodations i.e. (hotels, apartments, guest houses and other paid accommodation) and restaurants operating in the islands.

### **Current Price Estimation**

For accommodation establishments, value added estimates were derived on the basis of the gross wages and salaries obtained from the National Insurance Board. The response rate for accommodation establishments from the SoBE has been extremely low. However, using the survey data from earlier years, the ratio of total compensation of employees to value added was used to estimate the value added in current prices for all the years in the series. Similarly, for restaurants, data were sourced from the National Insurance Board on gross wages and salaries and number of employees. The ratio of total compensation of employees to value added obtained from the SoBE was applied to the gross wages and salaries to derive the value added in current prices.

### **Constant Price Estimation**

For accommodation establishments, the constant price estimates were obtained by extrapolating the base year value added with a volume index based on the number of stay-over visitors.

In the case of restaurants, the current price estimates were deflated by a price index of the average cost of a meal.

### **Sources of Data**

National Insurance Board (gross wages and salaries)  
Survey of Business Establishments  
Survey of Departing Visitors  
Tourist Board

## **Transport, Storage and Communication**

### Coverage

This industry covers the following activities:

1. Transportation
  - Road Transport
  - Sea Transport
  - Air Transport
  - Supporting and Ancillary Transport Activities
2. Storage
3. Communication
  - Postal Services
  - Telecommunications
  - Courier Services
  - Cable Television and Radio Services

Road transport consists of the activities of buses, taxis, trucks, and vans. It must be noted that the buses, trucks and vans which are owned by government, industrial or commercial establishments are excluded from this activity.

Sea transport covers the activities of shipping agents and the operation of vessels for the transport of freight and passengers.

Air transport covers the activities of airlines, aircraft rentals and charters.

Supporting and ancillary transport activities cover the activities of customs brokerage, travel agency, tour operator services, cargo handling, freight forwarding and airport administration. The operation of the Port Authority should also be included in this sector, but at present it is included in Public Administration and Defence since it was not possible to identify their revenue and expenditure from the Government Accounts.

Storage consists of storage and warehouses for hire by the public. This sector is very small since there are only a few companies engaged in this activity in the TCI.

Communication sub-sector covers the activities of the post office, philatelic bureau, telecommunication services, courier services and cable television and radio services.

### Current Price Estimation

For road transport, information on gross output, intermediate consumption, compensation of employees, operating surplus and taxes less subsidies on production were obtained from the Survey of Business Establishments. Value added was estimated using both the income and the production approaches for the companies that responded to the annual national income survey. For the other establishments, the National Insurance Board, provided information on the gross wages and salaries, which was used to derive the value added using a ratio of compensation of employees to value added.

In the case of sea transport, estimates of value added were derived for this sub-sector, on the basis of the gross wages and salaries obtained from the National Insurance Board. A ratio of compensation of employees to value added was derived from the national accounts surveys and was used to derive the value added for this sector.

For air transport, the National Insurance Board also provided data on the gross wages and salaries for all the domestic and foreign airlines. A ratio of compensation of employees to value added was used to derive the value added for this sub-sector.

Supporting and ancillary transport activities include the operation of the airport. The value added for the airport administration was compiled based on the details of revenue and expenditure extracted from the government accounts. The production approach was used to derive the value added. Data were obtained from the annual national accounts survey for some companies and the value added was derived using both the income and the production approach. For the other companies, the gross wages and salaries were obtained from the National Insurance Board and a ratio of compensation of employees to value added was used to estimate the value added for this sector.

In the case of storage and warehousing, the returns from the survey of business establishment were used to derive the value added for some companies and the gross wages and salaries obtained from the National Insurance Board was used to compile estimates of value added for the companies that did not respond to the SoBE.

For communications the financial statements and data from the telecommunication companies were used to derive the value added using both the income and production approaches. Telecommunication represents over 90 per cent of this sector. The audited financial statements of the Philatelic Bureau, and the Post Office were obtained from the Auditor General's Office and used to estimate the value added. Data on output, intermediate consumption and the cost structure of the GDP were extracted. For the other establishments, the value added was derived on the basis of gross wages and salaries obtained from the National Insurance Board.

### Constant Price Estimation

For road and sea transport the value added in constant prices were obtained by deflating the current price estimates with a price index based on the CPI. In the case of air transport a volume index based on flight movements was used to extrapolate the base year value added.

For telecommunication, the value added in current prices was deflated by a composite index of the cost of local and international calls. A volume index based on employment was used to extrapolate the base year value added for the Post Office and the Philatelic Bureau. For the courier companies, a price index based on the CPI was used to deflate the current price value added.

For storage activities, the current price value added was deflated by a price index based on the CPI.

### **Sources of Data**

National Insurance Board (gross wages and salaries)  
Survey of Business Establishments  
Financial Statements of various businesses  
Audited Accounts from the Auditor General's Office  
CPI

### Data Limitations

Lack of data on the number of licensed vehicles, including taxis, trucks and buses.

Lack of data on cargo landed and loaded.

Lack of data on passenger arrivals and departures by air. These indicators could be used to improve the constant price estimates for the transport sector.

Low response rate to the Survey of Business Establishments.

### **Financial Intermediation**

#### Coverage

This industry covers the services of banks, auxiliary financial intermediation and insurance.

#### ***Banks and Auxiliary Financial Intermediation***

The activities covered in this sub-sector consist of financial institutions, which comprise commercial banks, credit unions, mortgage loan and credit card institutions, investment companies, unit trusts, investment trusts, financial holding companies and other lending and interest-earning institutions, or financial intermediaries. Financial managers such as portfolio managers, securities dealers, financial advisers and consultants and other agencies providing auxiliary financial services are also included in this sub-sector.

### Current Price Estimation

The gross output of the financial institutions is equal to the sum of the actual service charges, the imputed service charges and other income from the rental of buildings, equipment etc. The actual service charges received include income from fees and commission charges. The imputed service charge consists of interest received less interest paid on deposits, loans, securities etc. This is called FISIM, financial intermediation services indirectly measured. The value added is estimated by subtracting the intermediate consumption from the gross output.

### Constant Price Estimation

For banks, the gross value added in constant prices was derived by extrapolating the base year value added with a volume index based on loans and deposits deflated by the CPI. In the case of Auxiliary Financial Intermediation, a volume index based on employment was used to derive the constant price estimates.

## **Sources of Data**

Survey of Business Establishments  
Financial Statements  
Official Gazette  
Financial Services Commission  
CPI

### Data Limitations

It has not been possible to compute estimates of value added for credit unions, financial managers and various trusts companies due to paucity of data.

## ***Insurance***

### Coverage

This activity consists of life and non-life insurance, including re-insurance, and pension fund services. Also covered under this sub-industry are auxiliary insurance services such as those provided by insurance agents, brokers, managers and consultants, insurance adjusters and actuaries.

### Current Price Estimation

The value added in current prices are derived using the production approach. The output of insurance companies consists of the following:

- Insurance Premiums Received
- Less Claims paid
- Less Changes in Insurance Reserves
- Plus Interest, Dividends and Investment Income
- Plus fees, commissions and other income

The value added consists of output less intermediate consumption.

### Constant Price Estimation

For insurance, the constant price estimates were derived by deflating the gross value added in current prices by a composite index of vehicle and property insurance costs.

### Sources of Data

Survey of Business Establishments  
Financial Sources Commission  
Data on costs of insuring property and vehicles

### Data Limitations

Some of the data available on insurance companies from administrative sources are consolidated and data on the operations of some insurance companies in TCI cannot be separated from the operations in other countries. For national accounts purposes only activities in the domestic territory are relevant.

## **Real Estate, and Owner Occupied Dwellings**

### Coverage

This industry covers

- Real estate agents renting and operating non-residential buildings, apartments, buildings and dwellings
- Owner Occupied Dwellings

### Current Price Estimation

In the case of real estate agents, the response to the SoBE, has been extremely low. Thus estimates of value added were derived on the basis of administrative data on gross wages and salaries and employment available from the National Insurance Board. The value added was estimated as the gross wages and salaries paid by real estate agents which was adjusted to include the employers share of insurance contributions which is 4.6 per cent.

The total number of owner occupied dwellings was obtained from adding, the census year estimate of the housing stock and the number of new residential buildings approved each year. The value of output was derived by multiplying the average rental value of each dwelling by the number of dwellings. The average annual rent was estimated on the basis of the average rent from the 2001 Census and inflated by the CPI. Intermediate consumption, which was estimated as one month's rent, was deducted from the gross output to derive the value added in current prices.

### Constant Price Estimation

A volume index based on the number of persons employed was used to derive the constant prices for real estate agents. In the case of owner occupied dwellings, a quantity index based of the number of owner occupied dwellings was used to extrapolate the base year value added.



### Sources of Data

Population Census (data on number of dwellings and annual rental value)

CPI

Inspection Reports on the number of completed dwellings

National Insurance Board

### Data Limitations

- Low response to SoBE by the Real Estate .
- There is no system in place to estimate the actual number of dwellings that are constructed from the building plans that were approved by the Ministry.
- The housing and population census is undertaken once in ten years and the unavailability of property tax assessment records, makes it difficult to cross check the estimates of value added generated for this sector and to provide an estimate that is based on sound statistics.

## **Renting, Computer and Business Services**

### Coverage

The activities of these industries include:

- Renting of machinery and equipment without an operator
- Data processing and computer related services
- Legal services
- Accounting services
- Marketing and advertising services
- Engineering, architectural and technical services

### Current Price Estimation

The output of the renting sub-sector comprised of the total receipts of car rentals. This was estimated on the basis of the stamp duties collected by the Government, which represents 10 per cent of the total receipts of car rentals. An adjustment of 15 per cent was made for under-coverage. The value added in current prices was estimated as the difference between gross output and intermediate consumption. The methodology for all of the other industries mentioned above is the same. The gross annual wages and salaries were obtained from the National Insurance Board. Relationships between selected variables - operating surplus, gross wages and salaries were derived. The income approach was used to calculate the value added for these industries.

### Constant Price Estimation

A quantity index of the number of stay-over visitors was used to derive the constant price estimates for the renting sub-sector. For the other sub-sectors, a quantity index of number of persons employed in each sub-sector, was used to extrapolate the base year value added and derive the constant price estimates.

### Sources of Data

National Insurance Board (gross wages and salaries and employment data)  
Report on Government Finance Statistics

### Data Limitations

Large non-response rate to the Survey of Business Establishment

## **Public Administration and Defence; Compulsory Social Security**

### Coverage

The coverage of this industry 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 financed and controlled by the public authorities or government bodies.
- Social security arrangements for large sections of the community, imposed, controlled or financed by government.

Excluded from this industry are public enterprises such as the post office, airport administration, electricity and water supply, which are included among appropriate industries. Also excluded are construction activities of the government, which are included in the construction industry.

### Current Price Estimation

An economic analysis of the government accounts was undertaken. The value added for this sector was estimated as the sum of compensation of employees and pension and gratuities. There is no market price for producers of government services. The value of these services was estimated at cost and therefore, the value added of these services consists entirely of compensation of employees. Pensions and gratuities are considered forming part of employee compensation and regarded as deferred payments.

The financial statements of the National Insurance Board, Tourist Board and Broadcasting Commission were obtained and analysed to derive the value added.

### Constant Price Estimation

The constant price estimates of value added for public administration and defence were obtained by deflating the current price value added by a wage rate index which allows for change in salary increase due to cost of living. In the case of the statutory bodies, the constant price estimates were obtained by extrapolating the base year value added by a volume index of employment numbers.

### Sources of Data

Fiscal Accounts of Government

Data on salary increases

Financial Statements of Statutory Bodies

### Data Limitations

- Some recurrent expenditure items are listed under broad headings and thus it is not possible to itemize expenditure relating to particular activities, such as the port authority, which should be treated as a departmental enterprise and excluded from Public Administration and Defence.
- No allowance has been made in the Fiscal Accounts for consumption of fixed capital for structure and equipment.
- The government accounts are compiled for the fiscal year April to March and no attempt has been made to convert to calendar year.
- Government accounts are traditionally prepared on a cash basis. The differences between the cash basis used and the accrual basis required by the 1993 SNA could cause errors and discrepancies in the estimates.

## **Education**

### Coverage

This industry comprises of the following:

- Government Schools
- Private Schools
- Technical, vocational, and commercial Schools
- Community College
- Other schools and Educational Services n.e.c.

### Current Price Estimation

The income approach was used to derive the value added in current prices. This is equal to compensation of employees. Data were extracted from the fiscal accounts of the Government, and from the financial statements of the Community College. For the private educational institutions, the gross value added was derived using data obtained from the survey of business establishments and using a ratio of value added to total enrolment.

### Constant Price Estimation

For public education, the value added in constant prices was obtained by deflating the current price estimates by an index of salary increases. For private education, a volume index of enrolment was used to extrapolate the base year value added.

### Sources of Data

Fiscal Accounts of Government  
Data on salary increases  
Financial Statements of Statutory Bodies  
Survey of Business Establishment  
Enrolment Statistics

### Data Limitations

Low response to Survey of Business Establishment in the case of private institutions.

## **Health and Social Work**

### Coverage

This industry comprises of the activities of institutions engaged in public and private health and social work activities.

### Current Price Estimation

Data for related departments were extracted from the fiscal accounts of government. The income approach was used to derive the current price value added. For private health and social work, gross wages and salaries were obtained from NIB, and the value added was obtained by using a ratio of value added to gross wages and salaries.

### Constant Price Estimation

For public health and social work, the value added in constant prices was derived by deflating the current price value added with a price index based on salary increases. In the case of private health and social work, a quantity index of employed persons was used to extrapolate the base year value added.

### Sources of Data

Fiscal Accounts of Government  
Data on salary increases  
Survey of Business Establishment  
National Insurance Board (data on gross wages and salaries and employment)

## **Other Community, Social and Personal Services**

### Coverage

This industry comprises of the activities :

- Religious Organizations, Political and Civic Institutions
- Recreational Services
- Sporting Activities
- Laundries, barbers, hair-dressers, funeral homes
- Domestic Services
- Personal Services n.e.c.

### Current Price Estimation

The public component of this economic activity included the activities of two statutory bodies: National Library and the Sports Commission. Data were obtained from the financial statements for these two institutions, and the income approach was used to derive the value added in current prices.

The gross value added for private institutions engaged in community and social services, were derived from data obtained from the NIB on gross wages and salaries and employment. A ratio of value added to gross wages and salaries was used to obtain the value added for this sub-industry.

For domestic services, which comprise of gardeners, housekeepers, cleaners, baby sitters, and other domestic helpers, the value added consist mainly of the gross wages and salaries of all persons employed in households. Data on employment was extracted from the NIB database. Average wages by category of workers was generated from the Department of Labour.

### Constant Price Estimation

For the public activities of this sub-sector an index of salary increases was used to deflate the current price estimates. For the activities of the private institutions a volume index of the number of persons employed was used to derive the constant price estimates.

### Sources of Data

Fiscal Accounts of Government

Data on salary increases

Survey of Business Establishment

National Insurance Board (data on gross wages and salaries and employment)

Financial Statements of Statutory Bodies

Department of Labour

### Data Limitation

Low response to the survey of business establishments

## **Financial Intermediation Services Indirectly Measured (FISIM)**

In computing the gross domestic product for the total economy, an adjustment is made for financial intermediation services indirectly measured (FISIM). FISIM is measured as the total property income receivable by financial intermediaries minus their total interest payable, excluding the value of any property income receivable from the investment of their own funds, and as such income does not arise from financial intermediation. This data was obtained from the financial statements of the banking industry.

Because of the difficulty of allocating this output among various recipients or users of the services, for which no explicit charges are made, we have continued to use the convention of the 1968 version of SNA whereby the whole of the output is recorded as intermediate consumption of the notional industry.

The constant price estimates were derived by deflating the current price value added with the implicit price deflator.

## **Taxes on Products**

Taxes on products were calculated as the sum of:

- Accommodation Tax
- Fuel Tax
- Casino Tax
- Communication Tax
- Gaming Machine Tax
- Vehicle Hire Stamp Duty
- Lottery Tax
- Import Duty
- Export Duty
- Cargo Dues

The main source of data was the annual report on Government Finance Statistics. The constant price estimates were derived by deflating the value added in current prices by the implicit price index.

## **Subsidies**

Subsidies were estimated as the operating losses of the departmental enterprises, when these losses are clearly the consequences of the policy of government to maintain prices at a level below cost of production. These enterprises consist of the Post office, Philatelic Bureau, Water Undertaking, and Civil Aviation. The constant price estimates were obtained by deflating the current price value added with the implicit price index.

## **Expenditure on the GDP in Current Prices**

The gross domestic product was estimated using the expenditure approach in addition to economic activity. In the case of the TCI, independent estimates were made for final consumption expenditures of government, gross capital formation, imports and exports of goods and non-factor services. The estimates of private final consumption were found as a residual.

### Government Final Consumption

Government final consumption is defined as the value of the gross output of general government services less the value of government sales. The gross output is equal to the cost of production, that is, the sum of intermediate consumption of goods and services, compensation of employees, consumption of fixed capital and other taxes less subsidies on production.

Government final consumption expenditure, consists therefore, of the purchase of goods and services, and expenditures on compensation of employees less revenues received from sales. The annual government accounts were reclassified and an economic analysis of receipts and expenditures was undertaken. In addition to central government, the estimates included the activities of the National Insurance Board, and other statutory bodies such as Sports Commission, National Library, Community College and Broadcasting Commission.

#### Private Final Consumption Expenditure

Included in final consumption expenditure of households are:

- All goods and services bought for final consumption by households;
- All goods produced for own final consumption by households;
- Services produced by household enterprises and retained for final consumption;
- Domestic services produced by employing paid staff, such as servants, cooks and gardeners;
- Services of owner-occupied dwellings (whose imputed values are equivalent to market rentals);
- All goods and services received by households as payment in kind from producers;
- Payment to government units to obtain various kinds of licenses, permits, certificates, passports etc.

At present, this aggregate was estimated as a residual. It was not possible to use the direct method, based on the results of a household expenditure survey. The Statistical Office has not undertaken any household expenditure surveys.

#### Gross Capital Formation

Gross capital formation includes only produced capital goods (machinery, transport equipment, buildings, roads, etc) and improvement to non-produced assets. Gross capital formation measures the additions to capital stock of buildings, equipment and inventories, i.e. the addition to the capacity to produce more goods and income in the future.

The commodity flow method was used to estimate the gross fixed capital formation. A classification of capital formation according to classes of commodities was compiled. Combination of the relevant kinds of commodities yields a classification of capital formation by type. Estimates of capital formation by the commodity flow method do not however, lend themselves to classification according to the kinds of economic activity of the purchasers.

For the commodity flow approach, the following information was obtained:

1. comprehensive data on the total supply of all the kinds of commodities which are disposed of partially or entirely to gross fixed capital formation;
2. information on the disposition to various uses of such commodities and;
3. supplementary information on the costs of installation, transportation costs and trade mark-ups.

### **Exports and Imports of Goods and Non-factor Services**

The value of imports and exports of goods were taken from the trade statistics.

Exports of non-factor services consist mainly of visitor expenditure in the domestic market. Data obtained from the visitor expenditure surveys were used to derive these estimates. In the years where this data were not available, the estimates were derived using information obtained from the Tourist Board on average length of stay, average daily expenditure, and the number of visitors. Also included under export of services is the receipts from abroad for the use of telecommunications services which were obtained from the financial statements of the telecommunication company.

In the absence of balance of payments statistics, imports of non-factor services were estimated as the sum of sea transport freight (estimated as 5 per cent of c.i.f. values); insurance on imports (estimated as 2 per cent of c.i.f. values); training and student maintenance, overseas travel and conferences, loan disbursements to students, consultancy and technical support, extracted from the Government Accounts; imputed service charges on insurance premiums collected (estimated as 5 per cent of life and general insurance premiums collected); out-payments for the use of telecommunication services obtained from the financial statements of the telecommunication company; and management fees from hotels, banks, insurance, telecommunication and oil companies.

### **Reliability of Data**

The estimates were produced by following international guidelines and procedures recommended in the 1993 System of National Accounts. Data received from sources were validated and cross checked for consistency of information. The SoBE questionnaires were designed for a two-year reporting period (current and previous year) to validate previous years' reported data. In cases where there were low response rate from the SoBE, additional information were gathered from a combination of ad-hoc survey of establishments and administrative records from related government offices and departments. Imputations for non-responses and missing data were employed to generate information for the entire sector.



## Section 2 : Recommendations

### 1. Statistical Legislation

There is need for effective legislation to ensure compliance by data providers. The System of National Accounts utilizes large data sets, gathered from administrative records and specially designed surveys and censuses. The collection of official statistics requires the existence of legislation to authorize or legitimize the process and to define the procedures, code of conduct, protection/confidentiality provisions and penalties that govern the collection, compilation, analysis and dissemination of the information. The Statistical Act is therefore a critical feature in the management or governance of statistical systems. The implementation of the Statistical Act in the TCI is of utmost importance in order to collect the required data for the compilation of the national accounts estimates.

### 2. The Central Business Register (CBR)

The business register, which is invaluable in providing the sample frame for various economic surveys, and providing the basis for grossing-up survey results, should be updated. It provides a key tool for survey sampling with statistical probability. Information in the CBR was last updated in 2003. The task of updating the CBR, through automated and other means should be assigned to a statistical officer. There are a number of untapped administrative sources such as the National Insurance Board, and the Financial Services Commission that can contribute immensely to updating the business register. There is need for more integration of data through networking and linking of databases. Further improvements to the CBR could be undertaken by the addition of new fields, in particular employment information, which is vital in classifying establishments by strata. The usefulness and reliability of a CBR depend on the development of an efficient system for its continuous maintenance.

### 3. Response to Business Establishment Surveys

Questionnaires have been utilized for collection of data from the business community for national accounts purposes. These questionnaires were specially designed to collect the required data on output, intermediate consumption, employment and capital formation from businesses. The format of these questionnaires follows the terminology used by businesses so that the required information can be easily provided.

However, it was observed that the response rates to some of the surveys were very low. Some businesses fear the potential use that government may make of the information, either at the aggregate or individual level. They are of the impression that the information provided would not be kept confidential, and would be used by other government agencies besides the statistical office.

There is need for a public relations campaign to sensitise the respondents to the importance of providing the data required for national accounts purposes. Special meetings with the Chamber of Commerce, the Hotel Association, and other organizations should be arranged to discuss the data requirements of

the business establishment survey, and the importance and usefulness of providing the requested information. Every year, prior to the launch of the SoBE, a radio and television program should be aired, informing the general public of the survey.

To further improve the response rate, a short form of the questionnaire should be designed for the small unincorporated businesses, that do not keep proper records and are reluctant to participate in the survey. Also response burden on the small and medium size establishments could be reduced with the rotation of sample and sample size minimization.

In an effort to improve relations with businesses, and to make the link with their response, the Statistical Office should prepare specialized information on GDP, and send to the business establishments along with the SoBE.

#### 4. Statistical Collaboration

Administrative data is a key source of information in compiling the national accounts estimates. Various government departments collect statistics as a by-product of administration. The Statistical Office should develop formal links with the regulatory and administrative authorities, and where possible should make suggestions for the revision or modification of reporting forms that would be necessary to improve the data collection. The utilization of administrative data would minimize the response burden placed on businesses in providing the required data for national accounts purposes. Some of the major suppliers of administrative data are the Customs Department, the Department of Environment and Coastal Resources, The Physical Planning Unit, the National Insurance Board, the Road Traffic Department, the Civil Aviation Department, the Financial Services Commission and the Port Authority.

#### 5. Training

There is need for continuous training of all staff engaged in the compilation of national accounts in order to develop the necessary capabilities. Training could be in the form of on-the-job training, short-term attachment to statistical offices with developed national accounts unit or through seminars and workshops. In addition, staff members need to implement the material learnt at training seminars and workshops.

#### 6. Release Schedule

The timing of the GDP estimates should be geared to meet the government annual fiscal cycle. The GDP estimates should be released at the end of March. The procedure should be to have final estimates for the reference year Y-2, preliminary estimates for Y-1, and projections for current year Y. Thus by the end of March 2011, there should be final estimates for 2009, preliminary estimates for 2010 and projections for 2011. The preliminary estimates are based on current indicators and are subject to the largest revisions. The preliminary data are revised when more and better source data becomes available. The historical series would only be revised to incorporate results from economic censuses, conceptual changes to data series, or to correct errors discovered subsequent to the revised estimates.

The data releases should follow a regular and publicized procedure and revisions should follow a regular and transparent schedule. Good management of the process of revisions requires the existence of a well-established and transparent revision policy.

7. *Future Work*

The Statistical Office should concentrate on improving the basic data needed for the compilation of the national accounts before proceeding to undertake accounting work in other fields. The development of national accounts and basic statistics are essentially complementary activities. The quality of the national accounts statistics largely depends upon the basic statistics available.

The extension of the national accounts series would depend upon the principle users, such as planners and administrators, statistical resources involved and the current state of basic available data. Institutional sector accounts for General Government, the Financial Sector and the Rest of the World Accounts are new areas that could easily be developed given the existing database and level of resources available.

## Annex B : Comments and observations by Chief Economic Adviser to the Governor and methodological discussion with DEPS

### GDP estimates : time consistency

There are inconsistencies between pre- and post 2000 data:

- Has any attempt been made to reconcile the different methodologies used to derive pre 2000 GDP estimates with those used by TCIG from 2000 onwards? For example, GDP was estimated as \$184.1m in 1999 and at \$319.4m in 2000?

*DEPS responses: The pre 2000 GDP estimates were compiled by British representatives or international organizations to serve their own purpose with no detailed worksheets or methodology being made available to the Statistical Office. The CDB also assisted the TCIG in producing GDP estimates for earlier years as an interim measure. The estimation process involved CDB Economic statistician making brief visits to TCI, conducting informal interviews with public and private sector officials and making many assumptions to fill the gaps in the information that became available through the informal interviews. There is no detailed, harmonized, consistent GDP series that exists for TCI prior to 2000. Thus no attempt was made to reconcile the present series with earlier estimates made by different representatives due to the unavailability of documented methodology used to compile those estimates.*

*CEA acknowledgements: Thank you - as you acknowledge, it therefore makes longer time series comparisons difficult.*

- The data are also fundamentally inconsistent within sub-categories. For example:

Sector	1999	2000
Manufacturing	\$639K	\$10.8m
Tourism	\$48m	\$98m
Financial services	No category	\$26.9m
Real estate	No category	\$37.9m

*I am not familiar with the estimates that were compiled for 1999. At the request of CDB, I reviewed the original GDP estimates that were compiled by the Statistical Office for the period 2000 to 2002 and comments on the findings were documented in my report of May 2006. A comparison of the estimates are shown below:*

Sector	2000 (Old Series)	2000 (Rev. Series)
Manufacturing	\$8.0m	\$10.8m
Tourism	\$56.4m	\$98m
Banks & Insurance	\$29.32m	\$26.9m
Real estate & Owner Occupied Dwellings	No category	\$37.9m

*In the case of manufacturing, the previous series only covered fish processing. In the revised series, the coverage was increased to include estimates for the manufacture of rice, bakery products, beverages, concrete and cement blocks, wood and wood products, as well as publishing and printing. Good, thanks*

*In the revised estimates, Tourism is not an industry in the GDP series. Estimates were compiled for accommodation establishments and restaurants. The data from NIB, revealed that compensation of employees were significantly higher than the GVA estimated in the previous series. This would have accounted for the significant upward adjustment for this economic activity. Ok that explains – thank you*

*In the previous estimates, value added for insurance services was estimated at 25 per cent of the banking value added. However in the revised estimates, the Financial Services Commission was contacted and data were extracted from all the returns of insurance companies operating in the TCI in order to compile the estimates of value added for insurance companies. OK, that explains it – thank you*

*Owner Occupied dwellings covers 66 per cent of the real estate, owner occupied, renting and business services industry. In the previous series no estimates were made for owner occupied dwellings. Although this is an imputed value, In the System of National Accounts, owner occupied dwellings are included in the production boundary and must be estimated in the national accounts. OK, but why 66% - and based on what data?*

## **GDP methodology – observations/comments**

### **General**

- Statistical confidence will have been reduced significantly by low survey response rates (total and by sector) and when combined with likelihood of under reporting. Response rates by sector should be provided.

*In the TCI there is no effective legislation to ensure compliance by data providers. The Statistics Act is therefore a critical feature in the management or governance of statistical systems as well as in the capacity of the Statistical Office to realize outputs that are reliable and timely.*

*I understand the difficulty. Non- response and under reporting are key issues affecting the reliability of derived estimates and is common to many small, developing countries.*

*As suggested, response rates by sector could usefully be detailed in the final report with standard errors, as you have done for the fishing industry. This will help identify sectors where greater effort and targeting may be required in future surveys*

*However, for most of the industries, the estimates of value added were mainly derived from administrative sources, and not from the survey of establishments. This is the case for agriculture and fishing, manufacturing, construction, wholesale and retail trade, hotels and restaurants, financial intermediation, real estate, owner occupied dwellings, renting of machinery and equipment, business services, public administration and defence, health and social work, education, other community, social and personal services and activities of private households.*

*The main administrative data used to derive the estimates of value added were gross wages and salaries obtained from the National Insurance Board, production data from the Department of Environment and Coastal Resources, external trade statistics, Financial Services Commission, Official Gazette, Fiscal Accounts of Government, Financial Statements of Statutory Bodies.*

*How robust are these data sources? How are they compiled? Would be useful to provide more detail of these sources and what they cover in the report*

*Has NIB and NHIP data on wages and salaries been compared? Could NHIP provide a more robust database going forward?*

- Base data used to augment survey responses in some cases significantly out of date. *This statement is incorrect and misleading. The main data used to derive the estimates of value added were data on the gross wages and salaries obtained from the National Insurance Board. A detailed database from 2000 onwards, with gross wages and salaries by various ISIC (International Standard Industrial Classification) categories were obtained from NIB. The survey results were used to provide information relating to the cost structure, such as ratio of intermediate consumption to output, or compensation of employees to GVA. These ratios tend to remain stable for some time. Useful to set out the underpinning evidence as it is by no means clear why these ratios would be so stable over time if market conditions are changing.*

*The report does highlight a number of areas for which base data is clearly out of date*

- *'The average annual rent was estimated on the basis of the average rent from the 2001 Census and inflated by the CPI' : It therefore takes no account of changed market conditions?*
- *household expenditure surveys*
- How have the gross operating surpluses, labour and other factor incomes paid to overseas residents been adjusted for in the data? Likely to have been significant in some sectors, notably construction. *The gross domestic product is the market value of all the goods and services produced in an economy during a given period of time despite if the service is produced by foreign workers or not. In calculating the gross domestic product, no adjustment for factor incomes paid to overseas workers is required. This adjustment is only necessary when estimates of gross national income are compiled, which is equal to GDP + compensation of employees and property income received from nonresident producers - compensation of employees and property income paid to nonresident employees.. Estimates of GNI are not compiled for the TCI.*

*Agreed but you have relied heavily on factor incomes, notably wages and salaries to derive GDP. If a large proportion of those wages and also profits of on-island firms leak to overseas residents GNP may be the more useful and stable measure of domestic contribution, per capita income and living standards – although both measures present problems in this regard. Have you given this some consideration?*

*“Resident” is the concept that differentiates which units belong to the domestic economy and which belong to the Rest of the World (ROW). A resident institutional unit has a centre of economic interest in the economic territory of a country and that interest is indicated by having a dwelling or place of production for a long or indefinite period of time (generally one year or more).*

- Illegal/informal trading likely to affect more sectors to varying degrees and not just mining and quarrying? *Yes agreed, however the approach used to estimate the value added for some industries, such as construction and wholesale and retail trade, which is a commodity-flow approach that allows for the incorporation of informal activities in the estimates of value added. Good. Worth setting this out in final report*
- Taxes on products (i.e. revenues) are added to GDP, but I'm not sure this is right when you are also separately scoring public outputs via the income approach. Surely taxes are used to purchase government administration and services?

*Taxes on products are not added to GDP, they are added to the total gross value added by activity to arrive at the GDP. Of course it is GVA, my typing error - thank you. However, the point is how do you avoid double counting taxes via the income method on goods that may be purchased from the public sector inclusive of tax. This may be a non- issue if there are no public sector trading bodies*

*As defined in the System of National Accounts 2008, par. 6.83, GDP= the sum of the gross value added at basic prices, plus all taxes on products less all subsidies on products. The SNA is the international guideline used to compile the national accounts.*

- How was work by companies and labour across multiple sectors controlled for in wage and salary data? *The National Insurance Board provided data on gross wages and salaries for various establishments operating within the TCI. This data was provided by economic activity.*

*Yes, but how were the outputs or operating surpluses of multi-product firms distributed to different sectors?*

- Price series used to deflate nominal values is presumably US price index? What allowance if any made to adjust for changes in real relative prices locally if margins and wage rates are determined by local market conditions? *The price index used to deflate nominal values is not US price index. Certain adjustments for relative price changes in the economy have been incorporated into the CPI.*

*So does TCI now have its own CPI series and by sector? When will this time series be published?*

### **Sector specific**

- There was only one survey respondent in the bulk distribution of petroleum sub sector. On what basis was the assumption of 67% uplift in GVA to impute for non-response derived? *The non-response was calculated at 67% of the value added of the company that responded to the survey. This was done only for the years 2000 to 2004 and was based on information related to the quantity of bulk fuel imported by the various companies in this petroleum sub-sector.*

*So what has been done since if under reporting remains an issue to estimate sector size by GVA?*



- Paper reports that the GVA for private educational institutions in current prices from years 2004 and onwards was determined using a ratio estimate of the value added and total enrolment for the year. For the years 2000 to 2003, GVA was estimated as one-third of the public sector GVA. Why? *Detailed data on enrolment and gross value added were not available for the years 2000 to 2003. Based on the data available for 2004, the information showed that value added for the private education was 3.26 m and public education was 10.13 m. In the absence of data for the earlier years, this ratio and trend were maintained and private schools value added was estimated at one-third of the public sector based on available data for 2004. Ok, worth explaining in final report*
- Value added in mining and quarrying is simply estimated at 8% of construction activity to correct for non-response. What allowances were made for imported quarrying materials or for any quarrying outputs (e.g. sand) exported? *In deriving the estimates of value added for construction, a commodity-flow approach is utilized which is very comprehensive and takes into consideration the imports and exports of various aggregates, such as sand, gravel, stones. This data together with ratios obtained from structural engineers, were utilized to arrive at mining value added as 8% of construction. Ok, useful if this was included in report*
- There doesn't appear to be provision to estimate any profit or investments in the agriculture – only salaries. In other categories, salaries are used to derive the value added by scaling up using survey data on the proportion of employees compensation to value added. *In the case of agriculture, the only detailed information that was available was data on compensation of employees from NIB. No data were available from establishment surveys to derive estimates for the other components of value added. However based on data available from other member states, it is assumed that operating surplus in agriculture is insignificant and thus no estimates were made for this component. Again, useful to explain this in report*
- If there is no data on fish purchased by hotels, restaurants, supermarkets and households, then how were these estimated? *The Fisheries Department provided information on the fish landings sold to fish processors by fishermen. Thus, it was assumed that the balance of fish not sold to fish processors would be sold to hotels, restaurants, supermarkets and households. Example, if 95% of lobsters were sold to fish processors, then the remaining 5% was assumed to be sold to hotels, restaurants, supermarkets and households. Again, useful to explain this in report*
- The insurance section highlights that output may be counted that relates to companies' operations outside of TCI. Was any attempt made to correct for this? *In estimating the gross value added for this industry, only insurance companies that operate within the TCI are included in the output of this industry. The section highlights the standard methodology that is used to derive the output for insurance. No where is it stated that output may be counted that relates to companies operations outside of TCI.*

*But the report clearly states as a key limitation that ‘Some of the data available on insurance companies from administrative sources are consolidated and data on the operations of some insurance companies in TCI cannot be separated from the operations in other countries. For national accounts purposes only activities in the domestic territory are relevant’.*

*‘Relevant’ yes, but how was it isolated?*

- In the real estate sector, intermediate consumption is judged to be one month’s rent. What is this assumption based on? *Intermediate consumption for owner occupied dwellings consists mostly of repairs and maintenance incurred during the year on dwellings. Estimates of average expenditure on repairs and maintenance per household may be available from household expenditure surveys. In the case of TCI this detail information were not available, however based on data from other member states, the rule of thumb, which is one month’s rent, or 1/12 (8.3% of output ) was adopted and used to derive intermediate inputs for this industry. Useful to detail this in final report*
- It is not clear how private consumption was estimated as an input to GDP if there have not been any household expenditure surveys. It is stated that this is a residual – but a residual of what? *For the TCI GDP is estimated by economic activity and by expenditure. Using the expenditure approach to derive the GDP, estimates of the various components on the expenditure of the GDP are independently derived with the exception of private final consumption, which is found as a residual due to the absence of detailed information from household expenditure survey. This means that the GDP by Expenditure is equal to GDP by Economic Activity and using the following equation, private final consumption expenditure is derived as a residual. Private final consumption = GDP at market prices – government final consumption – gross capital formation – goods and non-factor services. Example in 2000, GDP by Industry is 409.75. Private final consumption = 409.75 – 65.16 -102.59 - 96.91 = 145.09.*

*Useful therefore to explain this in the final report. However, it is a sizeable residual as one might imagine and its derivation via a top down approach of course relies heavily on the estimate of GDP at market prices, principally via the income method, being robust*

- Where did the “comprehensive data on the total supply of all the kinds of commodities which are disposed of partially or entirely to gross fixed capital formation” come from? *This data came from imports statistics. A classification based on imports by Broad Economic Categories at the commodity was compiled and used to derive estimates of gross fixed capital formation. Useful to add to final report*
- How does the value of imports correspond to the figures recorded in the recent EU study? *I’m not sure but the value of imports is what we would have received in a file from customs. These figures for imports are consistent with*

*the data published by customs. Perhaps the value in the recent European study represents fiscal years. I have not seen the study but will try to verify.*  
*Thanks – will await your views*

- The activity of the Public Works Department is scored in its entirety within construction. Is this limited to public contract values and related purchases or does it include all the wages and running costs of the department that should otherwise be captured within public administration? *All the wages and running costs of the public works department are treated as a departmental enterprise of government and excluded from public administration. This is done to avoid duplication since this activity is included in construction, given the commodity –flow approach that was used to estimate value added for construction. Good – thanks. Again worth including in final report*
- The derivation of GVA for public sector activities is a standard approach. It assumes productivity per unit remains constant if inputs are unchanged, so GVA can only expand through increasing input. This is a problematic assumption in many countries but especially in TCI where the transfer of resources from the indigenous private sector to the public sector over the last decade is likely to have reduced overall productivity. *The gross output for public administration and defence is defined in the SNA as equal to its cost of production i.e. the intermediate consumption of goods and services, compensation of employees, consumption of fixed capital and other taxes less subsidies on production. In the TCI no estimates are made in the budget to account for consumption of fixed capital on structures and equipment belonging to government and other taxes less subsidies paid by government. Thus output consists mainly of compensation of employees and intermediate consumption. Intermediate consumption or inputs vary from year to year and is based on data obtained from the purchase of goods and services on the current account. The GVA consists mainly of compensation of employees, and expands in real terms based on increase in employment or provision of increment. The productivity per employee is not assumed to be constant. This is clearly wrong and inconsistent with your penultimate sentence that agrees public sector GVA is assumed to expand in real terms with the increase in labour input, i.e. the standard approach. If however “productivity per public sector employee is not assumed to be constant” in the estimates how then do you measure it. This is not an easy task, for example, in public admin or the police service if there is no marketable output.*

## Other data series

- There are some significant errors and gaps in a number of data streams, and little evidence of prior data interrogation or quality assurance

For example:

### **Public sector wages and salaries**

1995/6	1996/7	1997/8	1999/0	2000/1	2001/2	2002/3	2003/4	2004/5	2005/6 +
17,567,000	18,787,000	22,288,000	24,348,833	-	1,331	7,876	10,580	9,028	No data

*Public sector wages and salaries used to compile the national accounts were derived from detailed worksheets obtained from the fiscal accounts. The data are significantly higher than what is shown in the table above.*

*I very much suspected so but the above table was taken directly from the fiscal accounts originally provided by MoF and your offices. Has the data now been corrected?*

Millions

1995/6	1996/7	1997/8	1999/0	2000	2001	2002	2003	2004	2005
				12.27	15.13	16.59	16.65		22.99

### **Public sector debt**

- includes only formal recorded debt; excludes short term debt to creditors c\$56m and c\$123m long term capital liability

*I assume these will be corrected in the final accounts*

### **Business Activity (no. of companies registered in TCI)**

- series from Registrar of Companies suggests fall from 17,496 to 2,008 in 2006, and a further fall to just 1,1254 by 2009?

2001	2002	2003	2004	2005	2006	2007	2008	2010
16,714	17,755	16,373	15,709	17,496	2,008	2,050	1,883	1,124

*This data is clearly erroneous or the basis of reporting has changed over time. This should be investigated.*

## **CEA comments on recommendations**

The recommendations tendered in Annex A Section 2 by DEPS appear sensible and should be implemented as soon as practical.

DEPS will need to produce an action plan setting out how these recommendations will be taken forward with appropriate timelines, milestones and success criteria. This should include a personal training plan for the continuous professional development of all DEPS economists and statisticians including possible exchange programmes with overseas statistical offices as suggested, including the UK Office of National Statistics. Secondment opportunities should be explored further.

Similarly, performance criteria should be developed and monitored for the organisation as a whole.

Closer working with key ministries, notably Finance and Trade and their delivery agencies, to provide economic and statistical analyses to support decision making could also be encouraged.

CEA, January 2011