



Solomon Islands Government

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NOMINAL GROSS DOMESTIC PRODUCT

2003 - 2004

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NOMINAL GROSS DOMESTIC PRODUCT (2003 – 2004)

This bulletin contains Nominal Gross Domestic Product estimates for 2003 and 2004. It is the first set of nominal GDP estimates since the last series was published in the late 1980s. In this interval period, the structure of the economy has changed considerably and hence much work has to be done in re-identifying data sources and revising the compilation methods for each institutional sector, resulting in the delay in releasing this bulletin.

These estimates were compiled with technical assistance from the Pacific Financial Technical Assistance Centre (PFTAC) and the South Pacific Communities (SPC) and these will be used to rebase the constant price series currently being compiled by the Central Bank of Solomon Islands. Nominal 2005 GDP estimates, and the revised constant price series, will be released in early 2008.

Nominal Gross Domestic Product rose by 22.2% from \$2,422.8 million in 2003 to \$2960.7 million in 2004. The significant increase was due to two main factors as noted below:-

- Most private sector enterprises either remained dormant, or had been operating at half capacity during the first half of 2003 and only resumed normal operations thereafter due to the improved security situation. This had resulted in a 19.4% increase in formal private sector nominal GDP from \$1188 million in 2003 to \$1418.7 million in 2004.
- There was a marked improvement in general government receipts in 2004. This had made it possible to increase spending on public services, thereby increasing the general government sector GDP from \$236.3 million in 2003 to \$307.2 million in 2004.

It was also noted that nominal GDP for the informal monetary agriculture sector dropped by 13% (from \$51.4m in 2003 to \$44.2m in 2004) despite a 53% increase in informal copra production. This was due to a drop in cocoa production on account of unfavorable prices in 2004 which had more than offset the rise in copra output.

Details of data sources and the methods used in compiling these estimates are available on request.

Table 1	GROSS DOMESTIC PRODUCT AND EXPENDITURE	
	Years	
	2003	2004
	\$ (million)	
Compensation of employees	647.4	813.9
Operating Surplus		
(i) monetary	665.3	635.7
(ii) non monetary	681.0	738.9
Consumption of fixed capital	188.4	222.9
Taxes less subsidies on production	184.9	488.3
Import duties	71.3	82.4
less Bank service charges	-15.6	-21.4
Gross Domestic Product	2,422.8	2,960.7
Final Consumption Expenditure of Residents		
(i) Households		
(a) monetary	1,195.3	1,445.3
(b) non monetary	681.0	738.9
(ii) General Government	524.6	801.5
(iii) Private Non-market Non-Profit Institutions	204.2	230.2
Gross Fixed Capital Formation	87.3	333.1
Increase in stocks	-19.2	38.4
Gross Resident Expenditure	2,673.3	3,587.5
Exports of goods and services	659.5	951.6
less Imports of goods and services	818.9	1595.2
<i>Statistical discrepancy</i>	<i>-91.1</i>	<i>16.8</i>
Expenditure on Gross Domestic Product	2,422.8	2,960.7
Notes on Table		
(1) Compensation of employees includes Employer's NPF contribution		
(2) Residents include all people normally residing in Solomon Islands for at least a year		

Table 2 (a) COMPONENTS OF GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY - 2003

ACTIVITY	Compensation of Employees	Operating Surplus	Consumption of Fixed Capital	Taxes less Subsidies on Production	Gross Domestic Product
	\$(million)				
Agriculture	7.3	606.5	7.4	0.2	621.5
Forestry	11.9	6.5	8.5	3	29.9
Logging	51.6	206.6	21.9	56	336.1
Fishing	26.3	52	13.9	3.4	95.6
Mining & Quarrying	0.3	0.2	0	0.2	0.7
Manufacturing	66.2	13.5	9.4	38.6	127.6
Electricity Water	11	25.7	6.7	0	43.5
Construction	9.3	36.3	0.8	0.1	46.6
Wholesale & Retail	52.2	55.5	15.1	61.7	184.5
Hotels	9.8	12.3	4.3	3.6	29.9
Transport	49.6	37	34.6	8	129.2
Communications	11.6	14.3	13.7	3.8	43.5
Finance	30.5	-20.1	9.4	1.2	21.1
Insurance	10.6	-8.5	2	0.8	4.8
Credit Unions	0.2	0.1	0	0	0.3
Ownership of owner-occupied dwellings	0	201.7	11.9	0	213.6
Real Estate	3.2	86.3	8.1	0.7	98.3
Business Services	5.6	8.5	1.3	1.1	16.6
Public Administration	63.3	0	0	0	63.3
Police, National Security & Justice	96.9	0	0	0	96.9
Education	56.9	-0.2	0.6	0	57.2
Health	21.9	0.2	0.3	0	22.4
Personal and Other Services	51.1	11.9	18.6	2.5	84.1
Total all industries	647.4	1,346.3	188.4	184.9	2,367.1
minus Bank Service Charges					-15.6
plus Import Duties					71.3
GDP at Market Prices					2,422.8
of which					
Non Monetary Component					681.0
Monetary GDP					1,741.8
Population					448,286
Monetary GDP per capita (\$)					3,885.0

Table 2 (b) COMPONENTS OF GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY - 2004

ACTIVITY	Compensation of Employees	Operating Surplus	Consumption of Fixed Capital	Taxes less Subsidies on Production	Gross Domestic Product
	\$(million)				
Agriculture	3.7	649.6	2.2	0.2	655.6
Forestry	12.2	-1.6	6.1	4.7	21.4
Logging	83.7	102.2	39.9	148.2	373.9
Fishing	27.2	53.7	11.9	12.8	105.6
Mining & Quarrying	0.2	1.8	0.1	0	2.2
Manufacturing	64.3	-30.4	15.1	125.7	174.8
Electricity Water	10.4	27.2	8.1	0	45.7
Construction	13.0	95.1	1.3	0.5	109.8
Wholesale & Retail	52.0	59.8	18.4	153.9	284.1
Hotels	12.4	13.1	3.1	12.2	40.8
Transport	58.2	51.2	47	11.7	168.2
Communications	20.5	23.2	12.9	5.9	62.5
Finance	31.3	-13.3	9.2	1.4	28.6
Insurance	10.2	-2.4	2.6	1.4	11.8
Credit Unions	0.3	0	0	0	0.3
Ownership of owner-occupied dwellings	0	226.7	13.3	0	240.0
Real Estate	2.6	96.3	8.4	1	108.2
Business Services	4.9	7.5	1.2	3.4	17.1
Public Administration	122.5	0	0	0	122.5
Police, National Security & Justice	43.0	0	0	0	43.0
Education	102.1	0.1	3.2	0	105.4
Health	79.1	0.3	1.2	0	80.6
Personal and Other Services	60.1	14.5	17.6	5.3	97.5
Total all industries	813.9	1,374.60	222.9	488.3	2,899.7
minus Bank Service Charges					-21.4
plus Import Duties					82.4
GDP at Market Prices					2,960.7
of which					
Non Monetary Component					738.9
Monetary GDP					2,221.8
Population					460,110.0
Monetary GDP per capita (\$)					4,829.0

	2003		2004	
	<i>GDP</i>	<i>% of Total</i>	<i>GDP</i>	<i>% of Total</i>
Total	2,422.8	100	2,960.7	100
<i>of which:</i>				
Formal Sector *	1,188.0	49	1,418.7	47.9
General Government	236.3	9.8	307.2	10.4
Total Informal Sector	998.5	41.2	1,234.7	41.7
<i>of which:</i>				
Agriculture - cash crops	51.4	2.1	44.2	1.5
- home consumption	558.4	23	603.2	20.4
Forestry & Logging-firewood collection	18.0	0.7	20.0	0.7
Fishing -monetary	21.5	0.9	93.3	3.2
- home consumption	11.4	0.5	12.3	0.4
Mining-alluvial gold production	0.5	0	2.2	0.1
Manufacturing - small scale timber milling	1.9	0.1	5.7	0.2
Construction -permanent structures	25.4	1.1	83.5	2.8
'-traditional dwellings	7.9	0.3	8.5	0.3
Transport - Buses, taxis, OBMs	42.5	1.8	67.8	2.3
Owner-occupied -permanent dwellings	110.3	4.6	125.1	4.2
- rural traditional houses	103.3	4.3	115.0	3.9
Real Estate Rental Activity	45.9	1.9	54.0	1.8

Note: Formal Sector includes public enterprises