



COMMONWEALTH OF THE BAHAMAS

# **SOURCES AND METHODS OF THE NATIONAL ACCOUNTS OF THE BAHAMAS**

## **Preliminary Estimates 2004**

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DEPARTMENT OF STATISTICS

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## ***Introduction***

This document describes the sources and methods used in the production of the Bahamian National Accounts (BNA) ***preliminary*** estimates. Production of provisional and final estimates is described under separate cover. In so far as local conditions permit, the BNA follow the revised 1993 United Nations System of National Accounts Manual. In conformity with UN recommendations, the major economic aggregates for the Bahamian national accounts are Gross Domestic Product at ***constant*** prices (GDP). In addition, a preliminary estimate of Gross Domestic Product at ***current*** prices is derived from preliminary expenditure information.

The GDP production-based estimate begins with the provisional estimates for gross value added (GVA) in constant prices by industry from the annual establishment survey for the reference year minus one. A suitable indicator is identified to represent each industry's real growth or decline, that is, growth or decline independent of price change. The year-to-year change in the indicator is used to project the previous years' GVA in constant prices forward to estimate the GVA in constant prices for the reference year. This is referred to as the *standard GVA projection* methodology. Exceptions to this approach are outlined where they occur. This manual provides for each industry, the indicator used for projection which is referred to as the *main projector*, as well as the usual sources used to corroborate the results. The resulting estimates are compared against a variety of information including other current and constant price indicators, to ensure the reliability, and robustness of the estimates.

Once gross value added is established for all the industries, an estimate for Indirect Taxes less Subsidies and other subsidies is determined. This amount is then added to the sum of the industries measures of GVA in constant dollars to give GDP in constant dollars.

The expenditure-based estimate of Gross Domestic Product in current prices is derived from the detail level upwards using two methods. The first method is to use available administrative information for the relevant component. The second method begins with the previous year's component of gross domestic expenditure and using a suitable indicator to represent the change in the component, project the previous year's measure forward.

This manual provides for each component of expenditure, either the administrative source or indicator used to derive a preliminary measure of expenditures in current dollars on the Gross Domestic Product.

## **Industry-based Gross National Product in constant prices**

### **1. Agriculture, Hunting and Forestry**

Methodology:	standard GVA projection
Main Projector:	total exports of food and live animals (dollars)
Source of Main Projector:	Bahamas Customs, Department of Statistics
Other Indicators:	employment in the industry

### **2. Fishing**

Methodology:	standard GVA projection
Main Projector:	quantity of marine landings
Source of Main Projector:	Department of Fisheries
Other Indicators:	employment in the industry quantity of lobster tails landed government revenue from fishing permits

### **3. Mining and Quarrying**

Methodology:	standard GVA projection
Main Projector:	quantity of salt produced
Source of Main Projector:	private industry
Other Indicators:	quantity of aragonite produced employment in the industry

#### **4. Manufacturing**

Methodology:	standard GVA projection
Main Projector:	employment in manufacturing
Source of Main Projector:	Labor Force Survey, Department of Statistics
Other Indicators:	quantity of rum sales value of rum sales

#### **5. Electricity**

Methodology:	standard GVA projection
Main Projector:	quantity of megawatts sold
Source of Main Projector:	Central Bank
Other Indicators:	none

#### **6. Water**

Methodology:	standard GVA projection
Main Projector:	water consumption
Source of Main Projector:	Bahamas Water and Sewerage Corporation
Other Indicators:	number of households employment in the water industry

#### **7. Construction Industry**

Methodology:	standard GVA projection
Main Projector:	number of new building permits
Source of Main Projector:	Ministry of Public Works, Grand Bahama Port Authority
Other Indicators:	value of new building permits value of building completions

## **8. Wholesale and Retail Trade**

Methodology:	standard GVA projection
Main Projector:	commodity imports
Source of Main Projector:	Customs and Department of Statistics
Other Indicators:	import taxes or duties

## **9. Hotels**

Methodology:	standard GVA projection
Main Projector:	visitor-nights stopover
Source of Main Projector:	Ministry of Tourism
Other Indicators:	tourism expenditures

## **10. Restaurants**

Methodology:	standard GVA projection
Main Projector:	number of tourist days
Source of Main Projector:	Ministry of Tourism
Other Indicators:	population count employment in the industry tourism expenditures

## **11. Transport, Storage and Communication**

### **11.1 Marine Transport and Services Allied to Shipping**

Methodology:	standard GVA projection
Main Projector:	cargo landed
Source of Main Projector:	Port and Marine Authorities
Other Indicators:	none

## **11.2 Air Transport and Services Allied to Air Transport**

Methodology: standard GVA projection

Main Projector: passenger miles

Source of Main Projector: BahamasAir

Other Indicators: none

## **11.3 Storage**

Methodology: standard GVA projection

Main Projector: employment in the industry

Source of Main Projector: Labour Force Survey, Department of Statistics

Other Indicators: value of imports of bunker oil  
quantity of imports of bunker oil

## **12. Communication**

Methodology: standard GVA projection

Main Projector: minutes of telephone usage charged

Source of Main Projector: Bahamas Telecommunications Company

Other Indicators: none

## **13. Financial Intermediation**

### **13.1 Banks**

Methodology: standard GVA projection

Main Projector: number of deposit accounts

Source of Main Projector: Central Bank

Other Indicators: employment in the industry

## 13.2 Insurance

Methodology:	standard GVA projection
Main Projector:	insurance fees paid to government
Source of Main Projector:	Treasury Accounts
Other Indicators:	employment in industry

## 14. Real Estate

Methodology:	standard GVA projection
Main Projector:	Consumer Price Index – Rental sub-index
Source of Main Projector:	Department of Statistics
Other Indicators:	none

## 15. Business Activity

Methodology:	standard GVA projection
Main Projector:	Consumer Price Index – Rental sub-index
Source of Main Projector:	Department of Statistics
Other Indicators:	none

## 16. Public Administration and Defense

Methodology:	standard GVA projection
Main Projector:	government employment (excl. health, education, post office)
Source of Main Projector:	Ministry of Finance Draft estimates of Revenue and Expenditure
Other Indicators:	none

## **17. Education**

### **17.1 Private Education**

Methodology:	standard GVA projection
Main Projector:	Consumer Price Index – school fees
Source of Main Projector:	Department of Statistics
Other Indicators:	school enrollment student/teacher ratios

### **17.2 Public Education**

Methodology:	standard GVA projection
Main Projector:	enrollment
Source of Main Projector:	Ministry of Finance Draft estimates of Revenue and Expenditure
Other Indicators:	none

## **18. Health and Social Work**

### **18.1 Private Health Services**

Methodology:	standard GVA projection
Main Projector:	Consumer Price Index – medical sub-index
Source of Main Projector:	Department of Statistics
Other Indicators:	none

### **18.2 Public Health Services**

Methodology:	standard GVA projection
Main Projector:	employment in the industry
Source of Main Projector:	Ministry of Finance Draft estimates of Revenue and Expenditure

Other Indicators: none

## **19. Other Community Social and Personal Activity**

Methodology: standard GVA projection

Main Projector: stopover visitor-nights

Source of Main Projector: Ministry of Tourism

Other Indicators: employment in the industry

## **20. Indirect Taxes and Subsidies**

Methodology: **indirect taxes less subsidies** and **other subsidies** are taken directly from Treasury Data

Main Projector: not applicable

Source of Main Projector: Department of the Treasury

Other Indicators: none

## **21. Extra-territorial Organizations and Bodies**

Methodology: standard GVA projection

Main Projector: visitor-nights stopover

Source of Main Projector: Central Bank

Other Indicators:

## **Constant Price Estimates of Domestic Expenditures on Gross Domestic Product**

### **1. Government Final Consumption Expenditure**

Methodology: administrative data and statistical techniques

Administrative Data Source: Ministry of Finance Draft estimates of Revenue and Expenditure

### **2. Private Final Consumption Expenditure**

Methodology: combination of administrative data and projections based on indicators

Administrative Data Source: Central Bank, Ministry of Tourism

Indicator Sources: Consumer Price Index, Labour Force estimates, Census Population estimates.

### **3. Gross Capital Formation**

Methodology: projections based on indicators and administrative data

Administrative sources: Central Bank

Indicators used: construction completions, construction permits and corporate reports

Indicator sources: Ministry of Works, published corporate reports

### **4. Exports of Goods and Services**

Methodology: administrative sources

Administrative sources: Customs, Central Bank

## **5. Imports of Goods and Services**

Methodology: administrative sources

Administrative sources: Customs, Central Bank

## ***Statistical Discrepancy***

Methodology: Shared difference between the Production GDP and the Expenditure GDP projections

## **Current Price Estimates of Domestic Expenditures on Gross Domestic Product**

### **1. Government Final Consumption Expenditure**

Methodology: administrative data

Administrative Data Source: Ministry of Finance Draft estimates of Revenue and Expenditure

### **2. Private Final Consumption Expenditure**

Methodology: combination of administrative data and projections based on indicators

Administrative Data Source: Central Bank,

Indicator Sources: Consumer Price Index, Labour Force estimates,

### **3. Gross Capital Formation**

Methodology:	projections based on indicators
Indicators used:	construction completions, construction permits and corporate reports
Indicator sources:	Ministry of Works, published corporate reports

### **4. Exports of Goods and Services**

Methodology:	administrative sources
Administrative sources:	Customs, Central Bank

### **5. Imports of Goods and Services**

Methodology:	administrative sources
Administrative sources:	Customs, Central Bank

### ***Statistical Discrepancy***

Methodology:	projection based on indicator
Indicator:	change in the constant price statistical discrepancy
Indicator Sources:	Department of Statistics