REVISION OF THE OF NATIONAL ACCOUNTS

Introduction

As part of the system of national accounts, revisions were carried out in order to incorporate the most current information from regular surveys, censuses, financial records and administrative data. Revisions were undertaken on the annual national accounts, which covered the period from 2001 to the present, and included the compilation of a supply and use table for 2007, rebasing of the constant price estimates from 2003 to 2007 and revised estimates for:

1. Accounts of the nation
    - Gross domestic product by expenditure and income
    - Generation and use of disposable income
    - Capital accounts
    - Rest of the world accounts
2. Value added by industry

Revision of the current price estimates

One aspect of the revision was the compilation of a supply and use table for 2007 (SUT 2007). A supply and use table records the total supply of goods and services in the economy and how that supply is allocated, whether for intermediate or final use, or for export. An important feature of the table is that it facilitates the reconciliation of the estimates of the supply and the use of goods and services in the economy and identifies gaps in the estimates. The SUT 2007 provided the benchmark estimates for 2007 and the framework for the revision of the current price estimates.

The revision of the current price estimates also included the incorporation of revised data from the external trade statistics. Final data for 2006 and 2007 on imports of goods was incorporated in the commodity flow system which is used in the compilation of gross output estimates for Construction, Wholesale & Retail Trade and Installation of Machinery and Equipment.

The reclassification of the Departure Tax and Tourism Enhancement Fee also formed part of the revision. These taxes, which were previously classified as other current taxes, are now being included in taxes on products.

Rebasing of the constant price estimates from 2003 to 2007

The constant price estimates were rebased from a base year of 2003 to a base year of 2007. The change of the base year is in line with international practices and guidelines to update the base year regularly.

The change in gross domestic product (GDP) from one period to another results from the contribution of two changes, one being the change in the volume of goods and services produced, and the other in the price at which they are sold. GDP at current prices reflects both these changes, as production of the period is measured at the prices of that period. GDP at constant prices on the other hand reflects only the changes in the volume of production. This indicator measures production of the period at the prices of another period (referred to as the base year).

The assumption that the relative prices of the components of value added do not change over time is inherent in the construction of constant price aggregates. However in a dynamic economy, relative prices constantly change as a result of shifts in the production structure and consumption patterns, uneven technological developments in different industries, variations in productivity as well as the appearance of new products and the disappearance of old ones. Therefore, the more remote the base year the more relative prices may have changed, altering the relative importance of different industries. Rebasing is therefore necessary in order to reflect the evolution of prices, technology and products in the economy.

Results of the Revision

Gross Domestic Product (GDP) at market prices in 2007 was $885,353 million. This was lower than the previously published figure of $887,417 million. This was mainly influenced by the lower value added of Construction and Wholesale & Retail Trade which includes Repairs and Installation of Machinery & Equipment. The lower output levels of these industries reflected the revised import data.

Taxes less subsidies on products in 2007 amounted to 118,381 million. This was higher than the previously published figure of $115,065 million and resulted from the reclassification of the Departure Tax and Tourism Enhancement Fee.

Comparison of the contribution to total value added by industries at current prices in 2003 and 2007 (Table I) shows the shift in the importance of the different industries. Wholesale & Retail Trade remained the largest contributor to total value added with a share of 18.5 per cent. This however was lower than the share of 18.8 per cent in 2003.

The contribution of the Manufacture industry declined from 9.4 per cent in 2003 to 8.8 per cent in 2007. Real Estate, Renting & Business Activities has seen an increase in its share to 10.4 per cent in 2007 compared to 9.5 per cent in 2003; moving it to fourth position and pushing Finance & Insurance Services to fifth position. Construction although maintaining its seventh position, increased its contribution from 7.8 per cent in 2003 to 8.3 per cent in 2007.

Table I Comparison of the Percentage Contribution by Industry at Current Prices, 2003 and 2007

Industry	% Contribution to Total Value Added Revised 2003	% Contribution to Total Value Added Revised 2007
Agriculture, Forestry & Fishing	5.9	5.3
Mining & Quarrying	4.0	4.2
Manufacture	9.4	8.8
Electricity & Water Supply	3.3	3.2
Construction	7.7	8.3
Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment	18.8	18.5
Hotels & Restaurants	4.8	4.7
Transport, Storage & Communication	11.8	11.7
Finance & Insurance Services	11.1	10.3
Real Estate, Renting & Business Activities	9.5	10.4
Producers of Government Services	12.4	12.5
Other Services	6.4	6.5
Less FISIM	5.3	4.7
Total Gross Value Added	**100.0**	**100.0**