

# STATISTICAL NEWS

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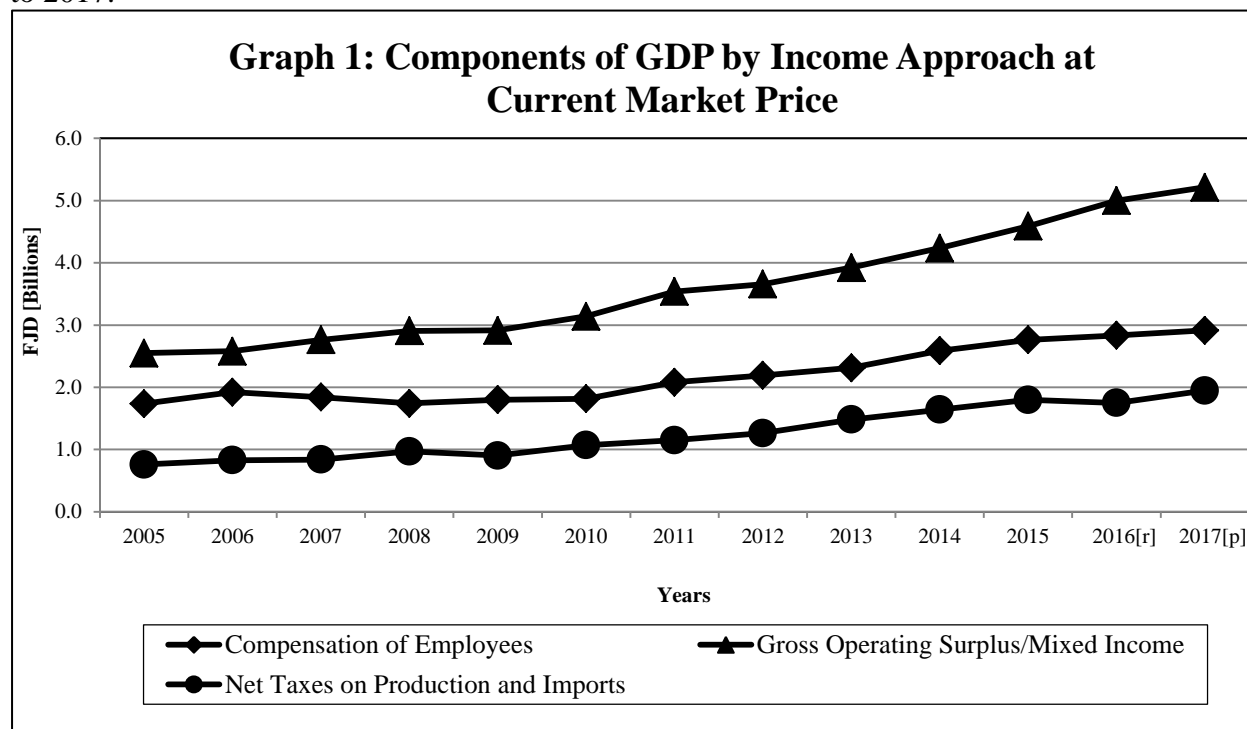
## FIJI'S GROSS DOMESTIC PRODUCT (GDP) 2017 INCOME APPROACH AT CURRENT PRICES

The income approach to measuring GDP sums the incomes generated by the production process. Income is generated for different institutional units in the economy during the production process, for instance through the sale of materials for use as inputs by other establishments, receipts by owners for the use of their capital and the net tax receipts by government. Hence GDP can be calculated as a sum of Compensation of Employees (COE), Gross Operating Surplus/Mixed Income (GOS/MI) and Net taxes on Production and Imports.

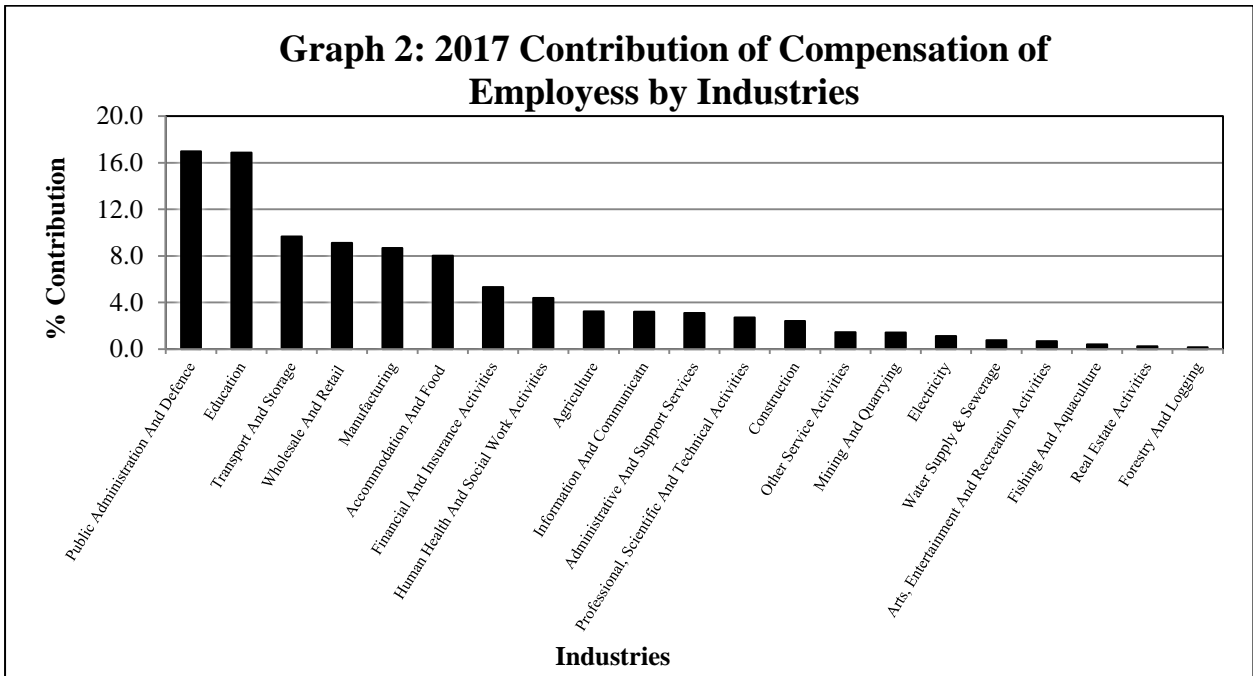
The 2017 estimate of \$10.1 billion is made up of the following components:

- 1) Gross Operating Surplus/Mixed Income (GOS/MI) - \$5.2 billion (51.8%);
- 2) Compensation of Employees (COE) - \$2.9 billion (28.9%); and
- 3) Net taxes on Production and Imports (Net taxes on product plus other net taxes on production) - \$1.9 billion (19.3%).

Graph 1 below shows the movements in the components of GDP by Income over the period 2005 to 2017.



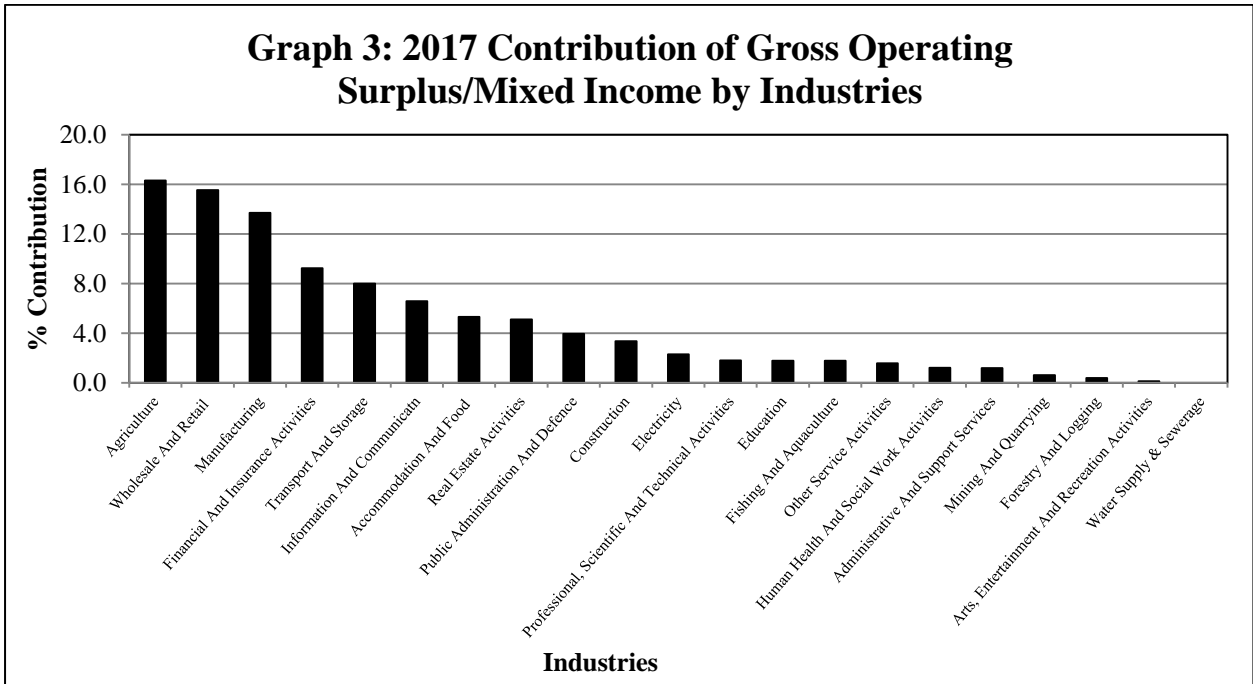
**Graph 2: 2017 Contribution of Compensation of Employess by Industries**



Compensation of employees grew by 2.8 percent (\$0.1 billion) in 2017 when compared to 2016. Graph 2 above shows the contribution of the different industries to the compensation of employees total. The top 5 industries in terms of contribution to total compensation of employees are Public Administration and Defence (17.0%), Education (16.9%), Transport and Storage (9.7%), Wholesale and Retail (9.1%) and Manufacturing (8.7%).

In 2017, gross operating surplus/mixed income increased by 4.3 percent (\$0.2 billion) when compared to 2016. Graph 3 below shows the contribution of the different industries to the gross operating surplus/mixed income total. Agriculture (16.3%), Wholesale and Retail (15.6%), Manufacturing (13.7%), Financial and Insurance Activities (9.3%) and Transport and Storage (8.0%).

**Graph 3: 2017 Contribution of Gross Operating Surplus/Mixed Income by Industries**



**Please find attached the following Appendices for your reference:**

- Appendix 1: Gross Domestic Product by Income Approach at Current Market Prices;
- Appendix 2: Contribution of Compensation of Employees by Industries;
- Appendix 3: Contribution of Gross Operating Surplus/Mixed Income by Industries; and
- Appendix 4: Technical Notes – Definition of terminologies used in the release.

The following contact persons are available to attend to any further enquiries:

1. Mr. Alivereti Tawake – Statistician [National Accounts] on email atawake@statsfiji.gov.fj or telephone 331 5822 (ext: 386 249).
2. Ms. Ilisapeci Vakaloloma - Assistant Statistician [National Accounts] on email ilisapeciv@statsfiji.gov.fj or telephone 331 5822 (ext: 386 237).



Epeli Waqavonovono [Mr]  
**Government Statistician**

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**Appendix 1:**

**GROSS DOMESTIC PRODUCT BY INCOME APPROACH AT CURRENT  
MARKET PRICES  
FJD [Millions]**

| <b>Years</b> | <b>Compensation of employees</b> | <b>Gross operating surplus &amp; mixed income</b> | <b>Net taxes on product</b> | <b>Other net taxes on production</b> | <b>GDP at Current Market Price</b> |
|--------------|----------------------------------|---|-----------------------------|--------------------------------------|------------------------------------|
| 1982         | 527.2                            | 484.9   | 92.9                        | 8.4                                  | 1,113.4                            |
| 1983         | 558.8                            | 464.9   | 110.4                       | 8.1                                  | 1,142.2                            |
| 1984         | 603.5                            | 538.8   | 123.6                       | 9.4                                  | 1,275.3                            |
| 1985         | 596.5                            | 571.3   | 138.7                       | 9.9                                  | 1,316.5                            |
| 1986         | 641.0                            | 673.4   | 135.6                       | 11.7                                 | 1,461.7                            |
| 1987         | 612.5                            | 704.5   | 136.0                       | 12.2                                 | 1,465.2                            |
| 1988         | 660.7                            | 759.3   | 154.3                       | 13.2                                 | 1,587.6                            |
| 1989         | 765.9                            | 775.9   | 199.0                       | 13.5                                 | 1,754.3                            |
| 1990         | 782.5                            | 943.1   | 238.0                       | 16.4                                 | 1,980.0                            |
| 1991         | 810.4                            | 977.9   | 236.7                       | 17.0                                 | 2,042.0                            |
| 1992         | 843.0                            | 1,146.8   | 293.4                       | 19.9                                 | 2,303.2                            |
| 1993         | 860.9                            | 1,286.0   | 353.2                       | 22.4                                 | 2,522.5                            |
| 1994         | 946.0                            | 1,324.4   | 379.7                       | 23.0                                 | 2,673.1                            |
| 1995         | 1,174.3                          | 1,178.2   | 397.9                       | 20.5                                 | 2,770.9                            |
| 1996         | 1,369.3                          | 1,188.5   | 408.8                       | 20.7                                 | 2,987.2                            |
| 1997         | 1,423.3                          | 1,130.8   | 443.8                       | 19.7                                 | 3,017.6                            |
| 1998         | 1,531.5                          | 1,254.6   | 476.6                       | 21.8                                 | 3,284.5                            |
| 1999         | 1,667.4                          | 1,576.1   | 543.2                       | 27.4                                 | 3,814.1                            |
| 2000         | 1,572.3                          | 1,526.7   | 446.7                       | 26.5                                 | 3,572.3                            |
| 2001         | 1,490.7                          | 1,757.3   | 483.4                       | 30.6                                 | 3,762.0                            |
| 2002         | 1,515.8                          | 1,916.5   | 545.8                       | 31.1                                 | 4,009.2                            |
| 2003         | 1,590.1                          | 2,045.4   | 693.7                       | 32.0                                 | 4,361.2                            |
| 2004         | 1,861.9                          | 2,055.4   | 737.0                       | 38.9                                 | 4,693.1                            |
| 2005         | 1,735.5                          | 2,547.5   | 712.7                       | 44.4                                 | 5,040.0                            |
| 2006         | 1,920.1                          | 2,579.0   | 780.7                       | 45.8                                 | 5,325.7                            |
| 2007         | 1,840.7                          | 2,761.9   | 791.7                       | 45.8                                 | 5,440.1                            |
| 2008         | 1,741.2                          | 2,905.3   | 884.3                       | 84.2                                 | 5,614.9                            |
| 2009         | 1,799.3                          | 2,913.8   | 828.1                       | 72.9                                 | 5,614.1                            |
| 2010         | 1,814.5                          | 3,140.4   | 973.4                       | 96.2                                 | 6,024.4                            |
| 2011         | 2,081.0                          | 3,537.9   | 1,029.7                     | 119.9                                | 6,768.5                            |
| 2012         | 2,190.9                          | 3,656.9   | 1,109.5                     | 152.3                                | 7,109.5                            |
| 2013         | 2,312.9                          | 3,921.0   | 1,286.7                     | 195.2                                | 7,715.7                            |
| 2014         | 2,586.2                          | 4,236.1   | 1,396.3                     | 243.8                                | 8,462.4                            |
| 2015         | 2,763.4                          | 4,589.5   | 1,540.6                     | 256.8                                | 9,150.3                            |
| 2016 [r]     | 2,834.7                          | 4,998.8   | 1,475.9                     | 272.7                                | 9,582.2                            |
| 2017 [p]     | 2,914.1                          | 5,213.4   | 1,665.4                     | 280.5                                | 10,073.3                           |

*Note: Any discrepancy in totals is due to rounding.*

**Appendix 2:**
**CONTRIBUTION OF COMPENSATION OF EMPLOYEES BY INDUSTRIES**

| <b>FSIC 2010</b> | <b>Industries</b>                                 | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  | <b>2015</b>  | <b>2016 [r]</b> | <b>2017 [p]</b> |
|------------------|---|--------------|--------------|--------------|--------------|--------------|-----------------|-----------------|
| A                | Agriculture                                       | 3.2          | 3.7          | 4.0          | 3.4          | 3.3          | 3.2             | 3.3             |
| A                | Forestry  | 0.3          | 0.4          | 0.4          | 0.5          | 0.3          | 0.2             | 0.2             |
| A                | Fishing   | 0.6          | 0.6          | 0.5          | 0.5          | 0.6          | 0.5             | 0.4             |
| B                | Mining and Quarrying                              | 2.1          | 2.2          | 2.0          | 1.6          | 1.5          | 1.4             | 1.4             |
| C                | Manufacturing                                     | 10.1         | 9.5          | 9.3          | 8.7          | 9.0          | 8.9             | 8.7             |
| D                | Electricity                                       | 0.9          | 0.9          | 0.9          | 0.8          | 0.9          | 1.1             | 1.1             |
| E                | Water Supply and Sewerage                         | 0.9          | 0.9          | 0.8          | 0.8          | 0.8          | 0.7             | 0.8             |
| F                | Construction                                      | 3.3          | 2.4          | 2.5          | 2.4          | 2.3          | 2.4             | 2.4             |
| G                | Wholesale and Retail                              | 9.8          | 9.7          | 9.4          | 8.8          | 8.6          | 9.0             | 9.1             |
| H                | Transport and Storage                             | 9.1          | 9.5          | 9.6          | 9.5          | 10.0         | 10.1            | 9.7             |
| I                | Accommodation and Food Service Activities         | 8.3          | 8.1          | 8.2          | 8.0          | 8.0          | 7.5             | 8.0             |
| J                | Information and Communication                     | 3.2          | 3.6          | 3.4          | 3.2          | 3.1          | 3.1             | 3.2             |
| K                | Financial and Insurance Activities                | 5.9          | 5.6          | 5.6          | 5.7          | 5.4          | 5.2             | 5.3             |
| L                | Real Estate Activities                            | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3             | 0.2             |
| M                | Professional, Scientific and Technical Activities | 2.8          | 3.0          | 3.0          | 2.9          | 2.8          | 2.7             | 2.7             |
| N                | Administrative and Support Service Activities     | 2.6          | 2.6          | 2.6          | 2.6          | 2.8          | 3.1             | 3.1             |
| O                | Public Administration and Defence                 | 14.5         | 14.6         | 15.2         | 16.7         | 17.2         | 17.0            | 17.0            |
| P                | Education   | 15.6         | 15.8         | 15.6         | 16.6         | 16.5         | 16.7            | 16.9            |
| Q                | Human Health and Social Activities                | 4.4          | 4.4          | 4.4          | 4.9          | 4.9          | 4.6             | 4.4             |
| R                | Arts, Entertainment and Recreation                | 0.7          | 0.7          | 0.7          | 0.7          | 0.6          | 0.7             | 0.7             |
| S                | Other Service Activities                          | 1.7          | 1.5          | 1.4          | 1.4          | 1.4          | 1.4             | 1.4             |
|                  | <b>Total</b>                                      | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>    | <b>100.0</b>    |

*Note: Any discrepancy in totals and sum of components are due to rounding.*

**Appendix 3:**

**CONTRIBUTION OF GROSS OPERATING SURPLUS/MIXED INCOME BY INDUSTRIES**

| <b>FSIC 2010</b> | <b>Industries</b>                                 | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  | <b>2014</b>  | <b>2015</b>  | <b>2016 [r]</b> | <b>2017 [p]</b> |
|------------------|---|--------------|--------------|--------------|--------------|--------------|-----------------|-----------------|
| A                | Agriculture                                       | 11.1         | 11.8         | 12.7         | 12.5         | 12.4         | 16.5            | 16.3            |
| A                | Forestry  | 0.7          | 0.8          | 0.8          | 1.0          | 0.7          | 0.5             | 0.4             |
| A                | Fishing   | 2.9          | 2.9          | 2.7          | 2.6          | 2.3          | 2.2             | 1.8             |
| B                | Mining and Quarrying                              | 1.3          | 1.0          | 0.3          | 0.3          | 0.4          | 0.6             | 0.6             |
| C                | Manufacturing                                     | 16.3         | 16.1         | 16.5         | 16.0         | 14.9         | 14.0            | 13.7            |
| D                | Electricity                                       | 2.5          | 2.5          | 2.3          | 1.2          | 1.7          | 2.2             | 2.3             |
| E                | Water Supply and Sewerage                         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0             | 0.0             |
| F                | Construction                                      | 2.3          | 2.4          | 2.8          | 2.8          | 3.0          | 3.1             | 3.4             |
| G                | Wholesale and Retail                              | 12.7         | 12.9         | 13.0         | 13.2         | 14.8         | 14.8            | 15.6            |
| H                | Transport and Storage                             | 4.7          | 4.6          | 5.9          | 8.0          | 8.5          | 8.5             | 8.0             |
| I                | Accommodation and Food Service Activities         | 5.4          | 5.9          | 5.9          | 5.6          | 5.7          | 5.0             | 5.3             |
| J                | Information and Communication                     | 7.5          | 7.2          | 7.0          | 6.5          | 6.6          | 6.5             | 6.6             |
| K                | Financial and Insurance Activities                | 11.1         | 10.6         | 10.4         | 10.8         | 10.2         | 9.2             | 9.3             |
| L                | Real Estate Activities                            | 7.7          | 7.5          | 7.0          | 6.3          | 5.9          | 5.0             | 5.1             |
| M                | Professional, Scientific and Technical Activities | 1.9          | 1.9          | 2.0          | 2.0          | 1.9          | 1.9             | 1.8             |
| N                | Administrative And Support Service Activities     | 2.2          | 2.1          | 1.8          | 1.7          | 1.6          | 1.2             | 1.2             |
| O                | Public Administration and Defense                 | 3.7          | 3.8          | 3.9          | 4.3          | 4.3          | 4.0             | 4.0             |
| P                | Education   | 2.3          | 2.5          | 1.7          | 1.9          | 1.8          | 1.8             | 1.8             |
| Q                | Human Health and Social Activities                | 1.3          | 1.3          | 1.2          | 1.4          | 1.4          | 1.3             | 1.2             |
| R                | Arts, Entertainment and Recreation                | 0.2          | 0.2          | 0.2          | 0.2          | 0.1          | 0.1             | 0.1             |
| S                | Other Service Activities                          | 2.1          | 2.0          | 1.8          | 1.8          | 1.7          | 1.6             | 1.6             |
|                  | <b>Total</b>                                      | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>    | <b>100.0</b>    |

*Note: Any discrepancy in totals and sum of components are due to rounding*

## Appendix 4: Technical Notes

**Gross domestic product (GDP) by income** - the income measure of gross domestic product (GDP) is derived as compensation of employees plus gross operating surplus/mixed incomes plus taxes less subsidies on both production and imports.

**Compensation of employees (COE)** - is the total remuneration in cash or in kind payable by employers to the 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.

**Gross operating surplus/mixed income** – gross operating surplus is the residual obtained by deducting the above components from value added. Thus, gross operating surplus includes interest payable to lenders of financial assets, or rent payable to rentiers of non-produced assets, such as land and sub-soil assets. Mixed income is the surplus or deficit accruing from production by unincorporated enterprises owned by households; it implicitly contains an element of remuneration for work done by the owner, or other members of the household, that cannot be separately identified from the return to the owner as entrepreneur but it excludes the operating surplus coming from owner-occupied dwellings.

**Subsidies** - are current unrequited payments that government units, including non-resident government units, make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services that they produce, sell or import and subsidies are not payable to final consumers. It also do not include grants that governments may make to enterprises in order to finance their capital formation. Examples of subsidies are freight, fertiliser, weedicide, cocoa subsidies and other such grants to statutory boards or public corporations.

**Taxes on production and imports:** are classified as receipts in the income and outlay account and includes:

- **Taxes on products** - payable on goods and services when they are produced, delivered, sold, transferred or otherwise disposed of by their producers. Examples of taxes on products used are import, export & excise duties and value added tax.
- **Other taxes on production** - consist of all taxes except taxes on products that enterprises incur as a result of engaging in production. Examples of other taxes on production are stamp duties, business licences and rates.

### **GDP Compilation Note:**

Compiling GDP is basically an attempt to have a measure on all the economic transactions taking place in a country. The types of transactions are varied and they range from the simple sales and purchase to the very complex ones and therein lies the measurement challenges faced by GDP compilers.

The GDP value provided is based on various estimates derived from data that is available from Administrative Records and Business Surveys. There are methodological complexities associated with the compilation work as well as challenges around the huge demand for data that can provide the best measure of the types of transactions occurring. The compilers are therefore continually developing new indicators and checking on other data sources in an attempt to include new and emerging economic activities that contribute significantly to Fiji's economy.