BRUNEI DARUSSALAM

GDP PRODUCTION & EXPENDITURE APPROACH

INTRODUCTION

GROSS DOMESTIC PRODUCT

The core concept of the SNA is the GDP, or gross value added. It is the totality of all final goods and services produced in the system over the relevant time period, usually a year. GDP is expressed in purchasers' values and can be measured in three ways.

- **The production approach**: GDP is equal to total output minus total intermediate consumption plus taxes less subsidies on products not included in the value of output.
- The expenditure approach: GDP is equal to final consumption expenditure plus gross capital formation plus exports minus imports.
- The income approach: GDP is equal to compensation of employees plus taxes less subsidies on products plus operating surpluses plus imports.

The Department of Statistics (DOS) of the Department of Economic Planning and Statistics (DEPS), Ministry of Finance and Economy is responsible for the compilation and dissemination of the national accounts statistics for Brunei Darussalam in accordance with 1993/2008 System of National Accounts. Data are compiled and released quarterly and annually; and presented in Brunei Dollars.

GDP PRODUCTION

- COVERAGE
- DATA SOURCE
- METHODOLOGY
- RECONCILIATION AND REVISION POLICY
- DISSEMINATION

COVERAGE

Transaction Coverage

All market transactions in the formal sector are covered.

Geographic Coverage

The entire country is covered.

Unit Coverage

The data in principle cover all resident institutional units.

Annual data are produced for:

GDP at current prices by kind of economic activity (27 categories)

GDP at constant (2010) prices by kind of economic activity (27 categories)

Detailed data are produced for the production and generation of income accounts for industries. The GDP covers both formal and informal activities. However, informal sector contribution to GDP is insignificant. GDP by the expenditure method is compiled and data disseminated. Production and generation of income accounts are prepared for institutional sectors, and estimates of gross national income, gross national disposable income, savings are prepared for the whole economy. Supply and use tables and input output tables are also produced for the base year.

DATA SOURCE

The main sources of data used in the preparation of national accounts include administrative records from relevant government ministries and departments, and statistical surveys and censuses conducted by the Department of Statistics (DOS) of JPES and various government

agencies. These sources comprise census data which are collected every 10 years (Population and Housing Census) or five years (Economic Census of Enterprises); surveys (Household Expenditure Survey, Labour Force Survey, Quarterly Survey of Businesses); and annual and quarterly data from the administrative agencies. The available data sources in the country provide an adequate basis for compiling national accounts.

The main methods employed in the national accounts for preparing the benchmark estimates of GDP from production, expenditure and income approach are the SUT framework and other recommended methods of 1993/2008 SNA, using all available current data sources for the economy. For other years, the annual national accounts have been derived as sum of quarterly national accounts. The quarterly national accounts have been prepared by extrapolating the benchmark estimates with relevant indicators at item level.

Normally, when data on indicators is available on quantity or volumes (such as production of crops, minerals, electricity, employment) constant price estimates are prepared first; but when data on indicators is available at nominal prices (such as sales, wages to employees), current price estimates are prepared first. The CPI at item level is used to deflate or inflate the current or constant price estimates, as the case may be, to obtain estimates at constant or current prices, respectively.

The main sources for the compilation of national accounts in the current 2010 series are:

- Population and Housing Census 2011
- Economic Census 2011
- Household Expenditure Survey, 2010-11
- Labour Force Survey 2008
- Economic Input-Output Survey 2009
- Quarterly Survey of Businesses
- Administrative Data (Treasury Department of The Ministry of Finance and Economy, Department of Agriculture and Agrifood of The Ministry of Primary Resources and Tourism, and Brunei Darussalam Central Bank (BDCB) for the financial sector information)
- Consumer Price Index
- International Merchandise Trade Statistics
- Balance of Payments
- Brunei Darussalam Statistical Yearbook and Quarterly Statistical Indicators

CLASSIFICATION

Economic activities are classified according to Brunei Darussalam's adopted version of ISIC Rev.4 as follows:

1. Vegetables, fruits & other agriculture
2. Livestock and poultry
3. Forestry
4. Fishery
5. Oil and gas mining
6. Manufacture of liquefied natural gas and other petroleum and chemical products
7. Manufacture of wearing apparel & textiles
8. Manufacture of food and beverage products
9. Other manufacturing
10. Electricity and water
11. Construction
12. Wholesale and retail trade
13. Land transport
14. Water transport
15. Air transport
16. Other transport services
17. Communication
18. Finance
19. Real estate & ownership of dwellings
20. Hotels
21. Restaurants
22. Health services
23. Education services
24. Business services
25. Domestic services
26. Other private services
27. Government Services/Public Administration

METHODOLOGY

The main sources of data used in the preparation of national accounts include administrative records from relevant government ministries and departments, and statistical surveys and censuses conducted by the Department of Statistics (DOS) of JPES.

Agriculture including livestock

Data on volumes and annual average prices of livestock and farming are supplied by the Department of Agriculture and Agrifood based on its extension network. Current price estimates are calculated form the volume and price data. Constant price estimates are based on the volume figures. No estimates are made for household production and consumption, which is considered insignificant.

Forestry

Data on volumes and prices are provided by the Department of Forestry. Constant price estimates are based on quantity figures and base year prices.

Fishery

Fish production is based on fish caught and landed by locally registered fishing vessels at the various landing points. Constant price data are based on volume figures and base year prices. The production and price data are provided by the Department of Fishery.

Mining, and manufacturing

Data on oil and gas production are obtained through the economic census and accounts provided by the oil companies for the base year. These provide information on output and intermediate consumption. For other years, value added at current and constant prices is estimated by extrapolating the base year estimates with value of output at current and constant prices, respectively. Value of output is estimated using data on production in quantities (separately for crude petroleum, natural gas, and LNG) during the year and the unit price of export. Other mining covers mainly support services for mining and data are derived from the economic census for the base year and quarterly survey of businesses for other years. Constant price data is estimated using the implicit price deflator of oil and gas mining.

Manufacturing is divided between downstream oil and non-oil manufacturing. For downstream oil manufacturing (refined petroleum and other chemical products), data are derived using the same procedure as mentioned above for oil and gas mining. For other manufacturing, excepting non-metallic mineral products, data are obtained from the economic census for the base year, and from quarterly survey of businesses for other years, for the private sector. For the units in government sector (printing activity), data is derived from the government accounts. Constant price data are obtained using relevant CPI. For non-metallic mineral products, base year estimates are based on economic census. For other years, data on value of production of cement at current and constant prices, is used to prepare current and constant price estimates.

Electricity, and water

For electricity and water, data are obtained from the economic census for the base year, and from quarterly survey of businesses for other years, for the private sector. For the units in government sector, data is derived from the government accounts. Constant price data for electricity are obtained by extrapolating the base year estimates with production of electricity. Constant price estimates for water are obtained using relevant CPI.

Construction

Data on construction are obtained through the economic census of construction companies for the base year and from quarterly survey of businesses for other years. Data also compared with value of cement sales, imported construction materials and government expenditure on construction. Value added of construction is deflated by the CPI of maintenance and repair of dwellings, which includes construction materials and services for, constant price estimates.

Wholesale trade, retail trade, and restaurants and hotels

Current price data are obtained through the economic census of companies for the base year and from quarterly survey of businesses for other years. Constant price data are obtained by deflation, using CPI of goods.

Transport, storage, and communication

Current price data are obtained through the economic census of companies for the base year and from quarterly survey of businesses for other years. Constant price data are obtained by deflation, using CPI of relevant items, except for air transport. Data on number of passengers travelled by air

is used as an indicator to extrapolate the base year estimate for constant price estimates of air transport.

Financial services

Data on banks are obtained through the economic census for the base year. For other years, base years estimates are extrapolated with the data on total deposits and credits and these data are cross-checked with banking data collected by the Brunei Darussalam Central Bank (BDCB). Constant price estimates are obtained by extrapolating the base year estimates with total deposits and credits at constant prices. Only year to year changes in deposits and credits are deflated with the relevant CPI and added to the previous year total deposits and credits at constant prices, to obtain the estimates of deposits and credits at constant prices.

Data on insurance are obtained from the consolidated data for all insurance companies provided by the BDCB. Constant price estimates are obtained using the relevant CPI for insurance services.

Data on other financial auxiliary services are obtained from the economic census for the base year, and for other years, extrapolated with the growth in financial services. Constant price estimates are obtained using the CPI for financial services.

Real estate, ownership of dwellings, and business services

Data on real estate and business services are obtained through the economic census for the base year and from quarterly survey of businesses for other years. Constant price data are obtained by deflation, using CPI of relevant items.

Output of owner-occupied housing is estimated based on information derived from the Household Expenditure survey for the base year. For other years and for constant price estimates, base year estimates are extrapolated with the growth observed in dwellings occupied between the previous two population censuses. The current price estimates are obtained by inflating the constant price estimates with CPI of rentals.

Government, and private services

Data for government services are obtained from government accounting records, and these are deflated by overall CPI to yield constant price estimates. Private sector services current price data are compiled from the economic census and quarterly survey of businesses, except for paid domestic services, which are compiled from the household expenditure survey, and these are deflated by the relevant components of the Consumer Price Index to get the constant price estimates.

Allocation of FISIM

Allocation of FISIM to user industries and final users is made on the basis of monthly data from BDCB on loans given to various industries and final users.

RECONCILIATION AND REVISION POLICY

The data are considered to be provisional when first released. Revisions can still be made to the data during the first 12 months after release, at which time they become final.

At the time of data dissemination, users are informed whenever data are preliminary. Similarly, users are informed of a revision by including the sign (r) for revised data.

DISSEMINATION

Quarterly data are produced one quarter after the reference quarter

Annual data are produced within 6 months of reference period.

GDP EXPENDITURE

- COVERAGE
- DATA SOURCE
- METHODOLOGY

METHODOLOGY

Household Final Consumption Expenditure

HFCE estimates for the base year are from the Household Expenditure Survey, 2010-11, plus FISIM and indirect insurance contributions. For other years, various indicators, such as consumption of agricultural products, electricity, water, passengers carried for air transport, imports of goods and value of output of services, are used to extrapolate the base year estimates. The relevant CPIs are used as deflators or inflators to prepare constant/current price estimates.

Government Consumption Expenditure

- RECONCILIATION AND REVISION POLICY
- DISSEMINATION

GFCE estimates are from the detailed government accounts for the base year. The estimates of CFC are computed and included in the GFCE estimates. For other years, the two components of gross value added and net purchase of goods and services are extrapolated with the data on salaries and wages and current expenditures of government. Constant price estimates are prepared by deflating the current price estimates with overall CPI for GVA component and CPI of goods for net purchases of goods and services

Gross Fixed Capital Formation

For the base year, GFCF of government is based on detailed government accounts and GFCF of private sector from the economic census. Estimates of GFCF are available for the categories of construction and machinery & equipment. Expenditures on R&D, mineral exploration, etc. are included under machinery and equipment. For other years, government accounts are used for estimating GFCF in government, while for private sector, data on construction output and imports of machinery are used for estimating the GFCF of construction and machinery and equipment, respectively. For constant price estimates, implicit price deflator of construction and CPI of goods are used to deflate the two components of GFCF.

Change in Inventories

Change in inventories is estimated only for the private sector from the economic census for the base year. For other years, these are extrapolated with the data on loans given to businesses.

Imports and Exports

Imports and exports data are from the balance of payments statistics and trade statistics. The deflators used for constant price estimates are, implicit price deflator of oil and gas for export of goods, CPI of goods for import of goods, and overall CPI for export and import of services.

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