LAO PDR

GDP PRODUCTION & EXPENDITURE APPROACH

INTRODUCTION

GROSS DOMESTIC PRODUCTS

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.

GDP PRODUCTION

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

COVERAGE

In compiling a GDP, it is useful to adapt and simplify the detailed standard international classifications of activity (ISIC. Rv.4) and product (CPC) to suit local conditions. The Lao Classification of Products by Activity (LCPA) is a structured classification that combines the two as well.

The Industry Categories consists of:

A1-A4 Agricultural

- A1 Agricultural Cropping
- A2 Livestock & Livestock Products
- A3 Forestry & Logging
- A4 Fishing

B0-F0 Industry

- B0 Mining & Quarrying
- C1 Manufacture of Food Products
- C2 Manufacture of Beverages & Tobacco
- C3 Manufacture of Textiles, Clothing, Footwear & Leather Goods
- C4-8 Other Manufacture
- D0 Electricity
- E0 Water Supply; Sewerage, Waste Management & Remediation Activities
- F0 Construction

G0-T0 Services

- G0 Wholesale & Retail Trade; Repair of Motor Vehicles & Motorcycles
- H0 Transportation & Storage
- I0 Accommodation & Food Service Activities

J0 Information & Communications

K0 Financial & Insurance Activities

L0 Real Estate Activities

M0-N0 Professional, Scientific & Technical Activities

O0 Public Administration & Defense; Compulsory Social Security

P0 Education

Q0 Human Health & Social Work Activities

R0-S0-T0 Other Service Activities

Tx Taxes on products, net

DATA SOURCES

Two main data sources:

- **Survey data:**
  - Economics Censes (EC)
  - Annual Establishment Survey (AES)
  - Lao Expenditure Consumption Survey (LECS)
  - Annual Household Survey (AHS)
  - And other surveys
- **Administrative data:**
  - Data from line ministries
  - Commodity quantity basis product
  - Finance statistics
  - State budget and public investment
  - Balance of payments

METHODOLOGY

Current and constant estimates as well as 2008SNA implementation

- GDP at current prices is calculated using the production approach, which is the sum of the value added of goods and services produced by enterprises/establishments in the country within a certain period.
  - There are 2 types of indicators used to estimate output value:
    1. Revenue from sales
    2. Quantitative indicator multiplier which is linked to the price index
- GDP at constant prices is the sum of value-added for goods and services produced by enterprises/establishments in the country within a certain period.
  - There are 4 types of indicators that are used to estimate gross domestic product:
    1. Current value of output (income from sales) divided by the price index
    2. Production volume of each product
    3. Replacement index based on the quantity of the main production factor
    4. Other substitute indicators
- GDP Production is defined as the sum of gross value added plus taxes on products minus subsidies on products.

RECONCILIATION AND REVISION POLICY

RECONCILIATION

- The annual national statistics were reconciled by two main approaches: production and expenditure approach.

REVISION POLICY

- Revised every year at the end of January.
- Revised back for 1 year.

DISSEMINATION

The GDP production is published on an annual basis and data will be released on the Lao Statistics Bureau (LSB) website: www.lsb.gov.la

GDP EXPENDITURE

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