VIET NAM

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

– From the perspective of use (spending): GDP is the total demand of the economy including the final consumption of households, the final consumption of the government, gross capital formation and the difference between import and export of goods and services.

– In terms of income, GDP includes workers' income from production, production tax, depreciation of fixed assets used for production and the value of operating surplus in the period.

– From the perspective of production: GDP is equal to the value of production minus intermediate costs.

- GDP is classified by industry at constant price and current price

DATA SOURCES

– Survey on agriculture production activities;

- Enterprises Survey;

– Individual business establishments survey;

– Survey collecting information to compilation of IO Table and and calculating intermediate cost coefficients;

- Administrative units and non-profit organizations;

– Administrative data;

– National statistical reporting system.

METHODOLOGY

There are 3 approaches of calculating the gross domestic product of a country

– Production approach: Gross domestic products equal to the total added value at the basic price of all economic sectors plus product taxes minus product subsidies.

Calculation formula:

Gross Domestic Product	=	Total value added at base price across all industries	+	Product tax-Product subsidies

– Income method: Gross domestic products equal to total income created from factors involved in the production process such as labor, capital, land, machinery. According to this approach, the gross domestic products of a country includes 4 factors: income of workers from production (in cash and in -kind), production tax (reduced subsidy for production), depreciation of fixed assets used in production and residual/mixed income.

Calculation formula:

Gross Domestic Products	=	Workers' income from production	+	Production tax (deducted from production allowance)	+	Depreciation of fixed assets used in production	+ Operati g surplu

– Approach of use (spending): Gross domestic products equal to a total of 3 factors: final consumption of the household and the government; gross capital formation (fixed assets, working assets and precious assets) and export, import goods and services differences.

Calculation formula:

Gross Domestic Products	=	final consumption	+	Gross capital formation	+	Differences in import a goods and services

RECONCILIATION AND REVISION POLICY

Reconciliation

GDP by type of economic activity is considered the most accurate measure. The discrepancy between the production approach and the expenditure approach is presented in the errors and omissions item of the Balance of Gross Domestic production and use of the Vietnam National Accounts.

DISSEMINATION

Quarterly, 6 months, 9 months and annual

GDP EXPENDITURE

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