



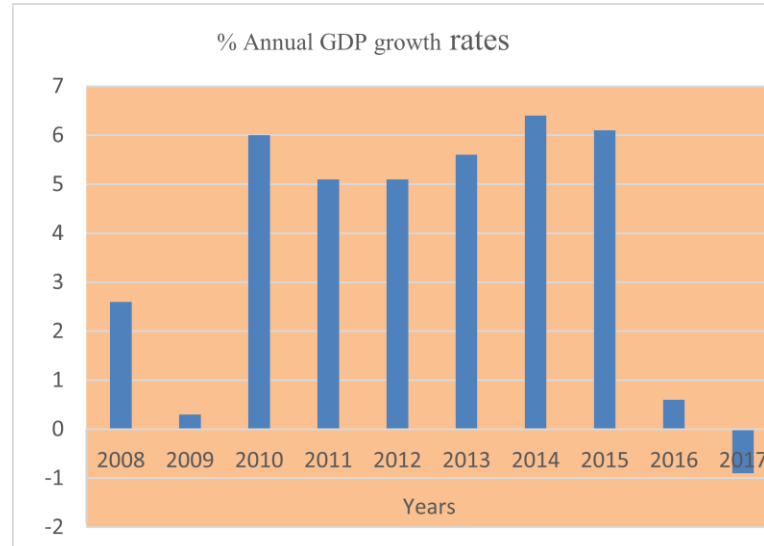
TOPIC:

SYNOPSIS OF THE ANNUAL NATIONAL ACCOUNTS 2017

In 2017, the domestic economy is estimated to have registered a contraction in real value added of 0.9 percent compared to a growth of 0.6 percent recorded in 2016. This is the lowest rate recorded over the last ten years.

The drop results from weak performances in the secondary and tertiary industries that recorded declines in real value added of 6.7 percent and 1.4 percent, respectively. However, on the backdrop of good rainfall and increase in production of major export commodities, the primary industries in 2017 registered a strong growth of 10.6 percent in real value added. (Figure 1)

Figure 1: GDP by activity constant 2010 prices – annual % changes

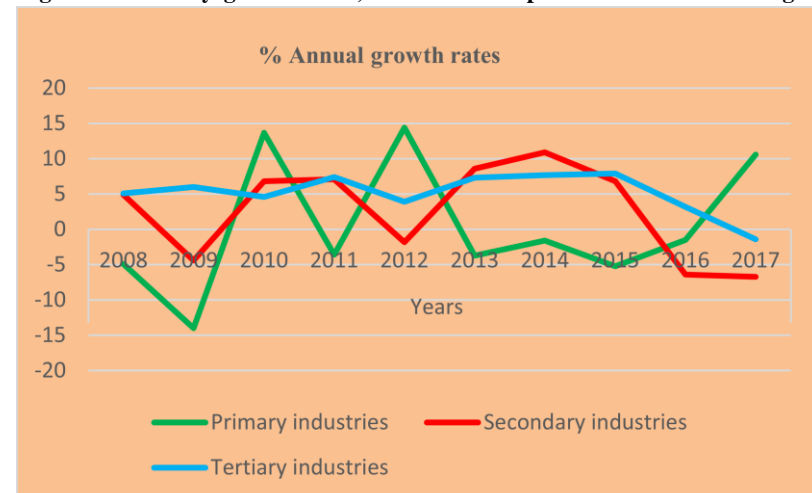


Source: Ministry of Finance, August 2018

In real terms, the primary industries in 2017 performed relative well, recording a double digit growth of 10.6 percent compared to a decline of 1.5 percent in 2016. However, the tertiary and secondary industries both recorded contractions in the same period. In particular, the tertiary industries recorded a decline of 1.4 percent compared to a growth of 3.2 percent in 2016.

This marks the first time over the reporting period that the tertiary industries recorded a decline. The secondary industries continue to record declines of 6.7 percent compared to 6.4 percent in the preceding year. (Figure 2)

Figure 2: Industry growth rates, constant 2010 prices – annual % changes



Source: Ministry of Finance, August 2018

Agriculture and forestry

The agriculture and forestry sector is estimated to have recorded a strong growth of 12.6 percent in real value added compared to a growth of 1.5 percent recorded in 2016. The strong performance is attributed to livestock and crop farming subsectors that recorded growths in real value added of 13.7 percent and 11.0 percent, respectively.

Fishing and fish processing on board

Fishing and fish processing on board for 2017 is estimated to have recorded a slow growth of 1.3 percent in real value added compared to 9.1 percent recorded in 2016. The slow performance can be mainly attributed to demersal landings that declined with 10.9 percent compared to a growth of 27.2 percent recorded in 2016.

Mining and quarrying

The mining and quarrying sector is estimated to register a strong growth of 12.8 percent in real value added during 2017 compared to a decline of 5.8 percent recorded in 2016. The performance in the sector is attributed to all mining and quarrying subsectors that registered stronger growth rates in 2017 when compared to 2016

Manufacturing

The manufacturing sector is estimated to have recorded a slow growth of 1.3 percent in real value added for 2017 compared to a strong growth of 5.6 percent recorded in 2016. The sluggish performance of the sector is due to most subsectors that did not perform well for the period under review.

In particular, the slow performance in this sector is mainly attributed to meat processing that registered a decline in real value added of 14.4 percent, other food products declining by 4.6 percent and textile & wearing apparel recording decline of 3.2 percent during the period under review.

Construction

The construction sector is estimated to have recorded a negative growth in real value added of 25.6 percent during the period of 2017, compared to a negative growth of 26.3 percent recorded in the preceding year. The poor performance in the sector was mainly due to the construction works done by the mining and quarrying sector and government sector that declined in 2017 by 64.4 percent and 29.0 percent in real terms compared to declines of 65.2 percent and 13.9 percent recorded in 2016, respectively.

Wholesale and retail trade

The wholesale and retail trade sector is estimated to have registered a contraction of 7.5 percent in real value added during 2017 compared to a growth of 3.1 percent recorded in 2016. The performance of the sector is reflected in the sales of vehicle and furniture subsectors that recorded negative growths of 24.5 percent and 3.0 percent, while clothing, wholesalers and supermarkets sales recorded slower growth rates.

Hotels and restaurant

The hotels and restaurants sector is estimated to have recorded a decline in real value added of 1.1 percent in 2017 compared to a growth of 3.5 percent recorded in 2016. The performance in the sector is attributed to both subsector hotels' and restaurants' that registered declines in real value added of 1.2 percent and 1.0 percent in 2017 compared to strong growths of 1.9 percent and 7.1 percent recorded in 2016, respectively.

Transport and communication

The transport and communication sector is estimated to have recorded a slow growth of 0.8 percent in real value added in 2017 compared to a strong growth of 7.0 percent recorded in 2016. The slow performance in the sector is mainly attributed to subsectors such as freight transport by road (1.7 percent), telecommunications (1.9 percent) and post & courier services (2.7 percent) that recorded slower growth rates in real value added during the period under review.

Financial intermediation

Year-on-year the financial intermediation sector growth remained constant recording 2.8 percent in real value added during the period under review.

Mixed results are observed in the subsectors of financial intermediation, with insurance subsector recording an increase of 4.1 percent in real value added in 2017 compared to 1.7 percent registered in 2016.

Real estate and business services

The growth in real value added for the real estate and business services sector slowed to 0.9 percent in 2017 compared to the growth of 1.0 percent registered in 2016. The performance is due to other business services subsector that declined further to 4.6 percent in 2017, from a contraction of 3.8 percent in 2016.

Real Estate activities are estimated to have recorded a growth of 2.7 percent in real value added during 2017 compared to 2.6 percent registered in 2016.

Public administration and defence

Public administration and defence which include central government administrative activities, statutory bodies and local government activities, is estimated to have recorded a slow growth in real value added of 0.3 percent in 2017 compared to a growth of 3.3 percent recorded in 2016.

The subsector central government administration recorded a contraction of 0.9 percent in real value added in 2017 compared to a growth of 3.0 percent in 2016. The contraction is mainly driven by government's fiscal consolidation.

Source: Annual National Accounts 2017

