

Demystifying the Household Final Consumption Expenditure (HFCE) in the Philippine System of National Accounts (PSNA)

By

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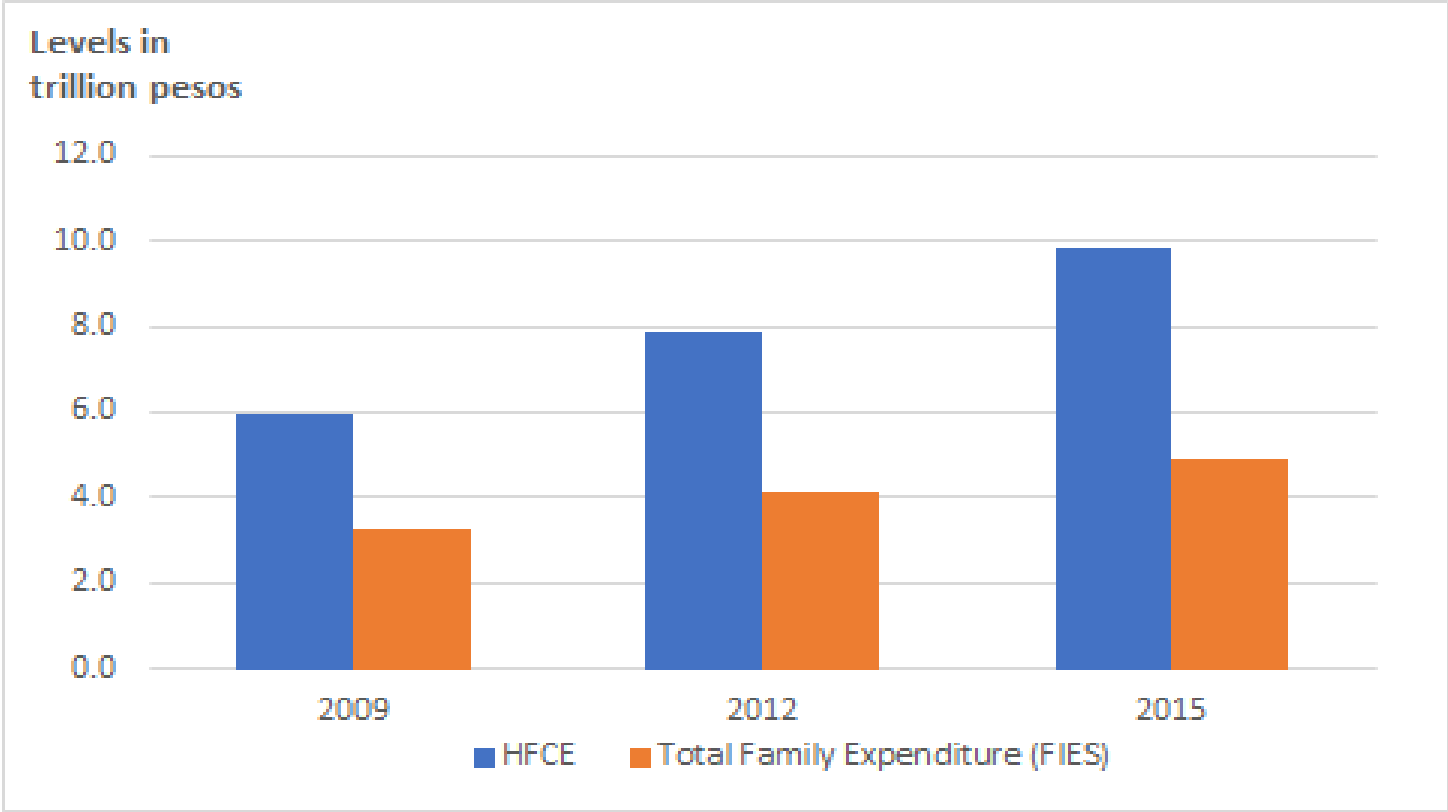
Presented by

Jumille Anne F. Gamis

Philippine Statistics Authority

Introduction

Comparison of total expenditures of HFCE and FIES for the years 2009, 2012 and 2015



Objectives

- To present the differences between HFCE and FIES
- To present the improvements of the coverage and methodologies of HFCE



Background

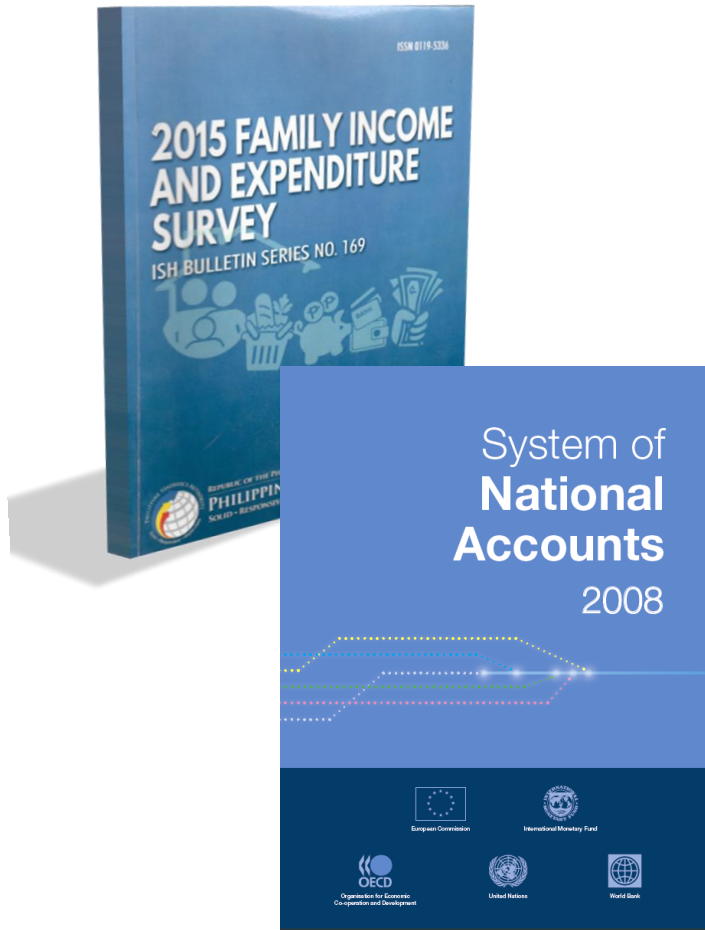
Why Household Final Consumption Expenditure?

Percentage Share to GDP	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
Households and NPISHs FCE	20.5	73.4	57.3	65.2	55.3	57.4	73.5	35.6	48.7	68.0
General government FCE	26.5	5.1	9.1	12.9	12.2	14.2	11.2	10.4	16.4	6.5
Gross Capital Formation	34.8	22.9	33.7	29.0	25.6	31.4	25.1	28.2	22.8	26.6
Exports of goods and services	49.6	60.7	20.2	34.3	71.4	19.4	31	171.4	68.2	101.6
Imports of goods and services	35.6	64.1	19.2	41.5	64.4	23.7	40.9	146.4	54.3	98.8

In 2017, the biggest GDP component of 7 out of 10 ASEAN countries is HFCE.

Source: UN data

Background



Family Income and Expenditure Survey (FIES)

- Triennial survey
- Family expenditure and income in cash and in kind
- Source of information:
 - Consumer Price Index (CPI)
 - Poverty Statistics
 - Household Final Consumption Expenditure

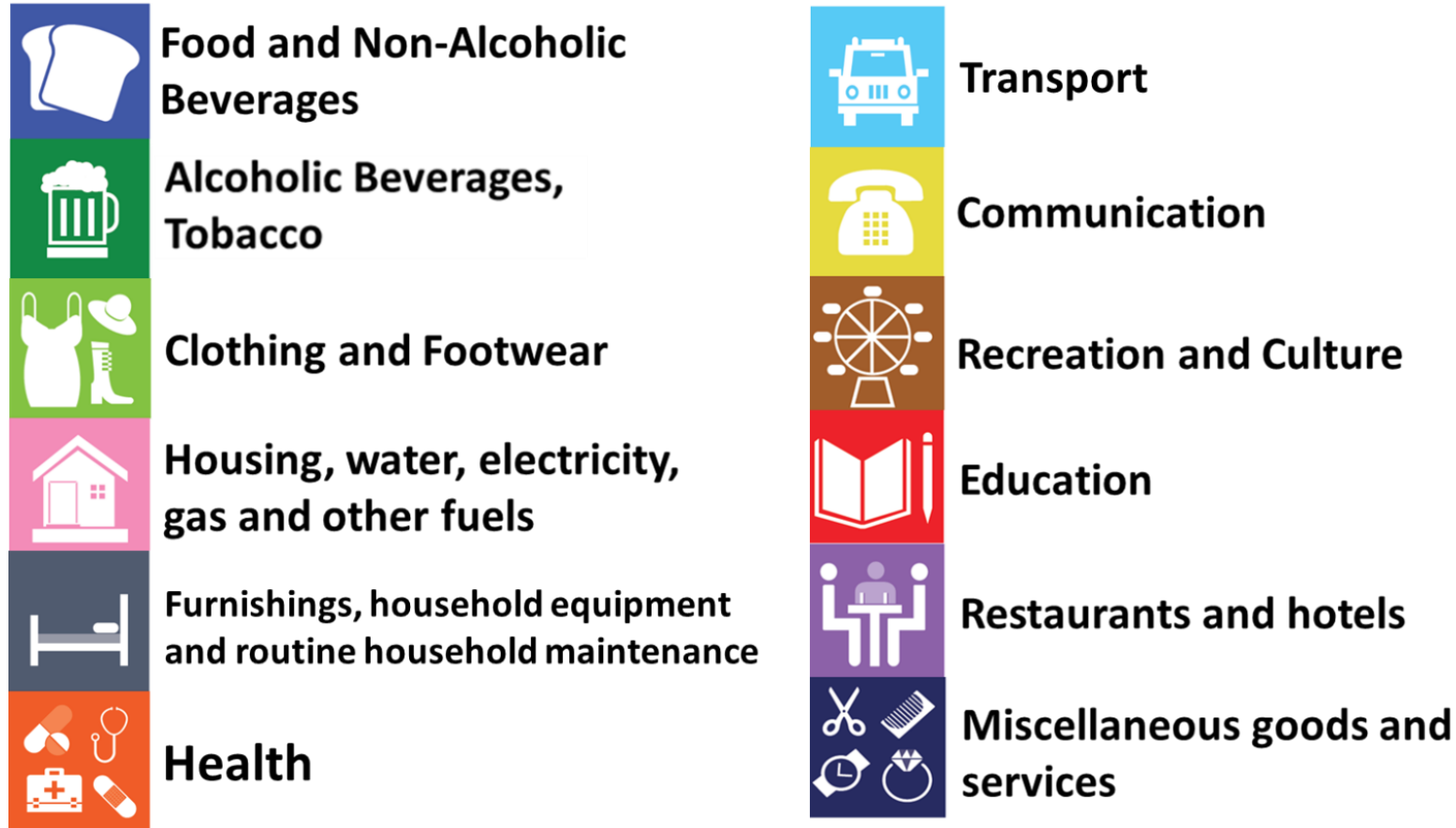
Household Final Consumption Expenditure (HFCE)

- Quarterly and annual release
- Expenditure side of National Accounts
- 2008 System of National Accounts (SNA)
- Expenditure incurred by resident households on final consumption

Difference between FIES and HFCE

Family Income and Expenditure Survey	Household Final Consumption Expenditure
Private households <i>(Family)</i>	Individual households Institutional households Non-profit institutions serving households <i>(Household)</i>
Family expenditure:	HFCE:
Food consumed and non-food items paid for	Final consumption expenditure of goods/services
<ul style="list-style-type: none"> - Imputed value of fringe benefits from employer - Value consumed from net share of crops, etc., family sustenance activities (own account production) and from entrepreneurial activities - Imputed rentals for housing 	Value of: <ul style="list-style-type: none"> - barter transactions; - income in kind; and - own account production and consumption (i.e., imputed rent, paid domestic staff)
Value of gifts, support, or relief	
Other expenditures (tax, losses), Other disbursements (purchase of real property, major repairs and construction)	Payments of licenses and fees

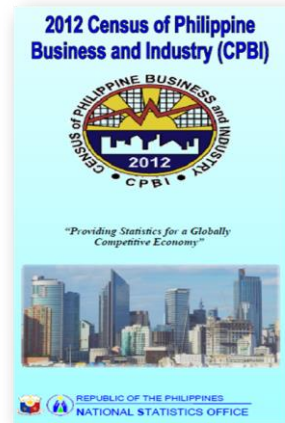
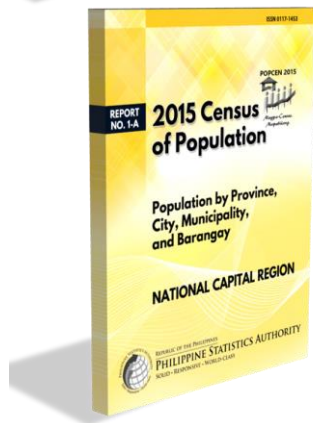
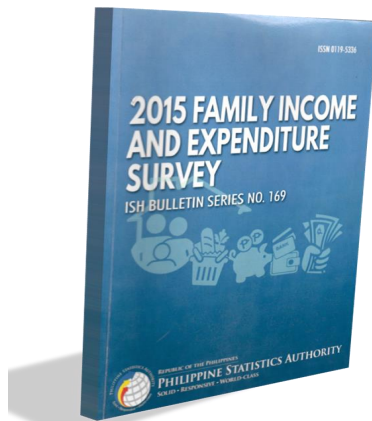
Classification



Classification based on Philippine Classification of Individual Consumption by Purpose (PCOICOP)

Available information on HFCE

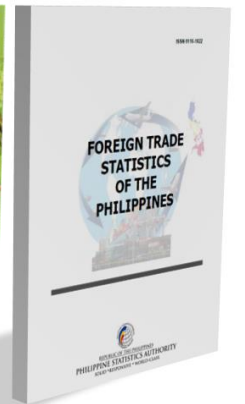
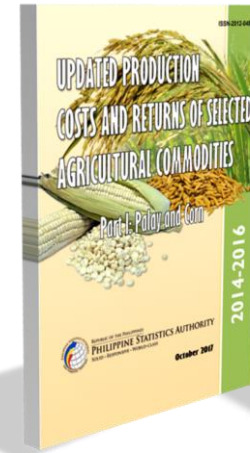
Survey-based data from PSA



Administrative records



**Tourism
Satellite
Accounts**



How to Get Alien Employment Permit (General Guide, Requirements & Fees)



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
NATIONAL CAPITAL REGION
G/F DOLE NCR Bldg., Maligaya St., Malate, Manila

PM-NCR-03.01-F.02

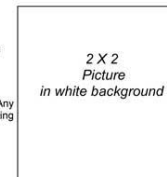
ALIEN EMPLOYMENT PERMIT (AEP) APPLICATION FORM

(Please provide all the required information and affix required signature/s. Any misrepresentation/s, false statement/s or fraud in this application or in any supporting document/s is a ground for denial/revocation/cancellation of the permit.)

TYPE OF APPLICATION: NEW RENEWAL

PERSONAL DATA

NAME: _____ (Last name) (First name) (Middle name)
SEX: _____ CITIZENSHIP: _____ TIN: _____
CIVIL STATUS _____ DATE OF BIRTH _____ PLACE OF BIRTH _____
HIGHEST EDUCATIONAL ATTAINMENT/COURSE FINISHED: _____
ADDRESS IN THE PHILS. _____

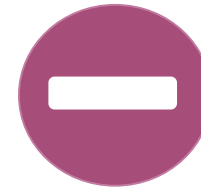


Methodology

HFCE



Retail
Output



Expenditures of non-
residents in the
domestic territory



Expenditures of
residents
abroad

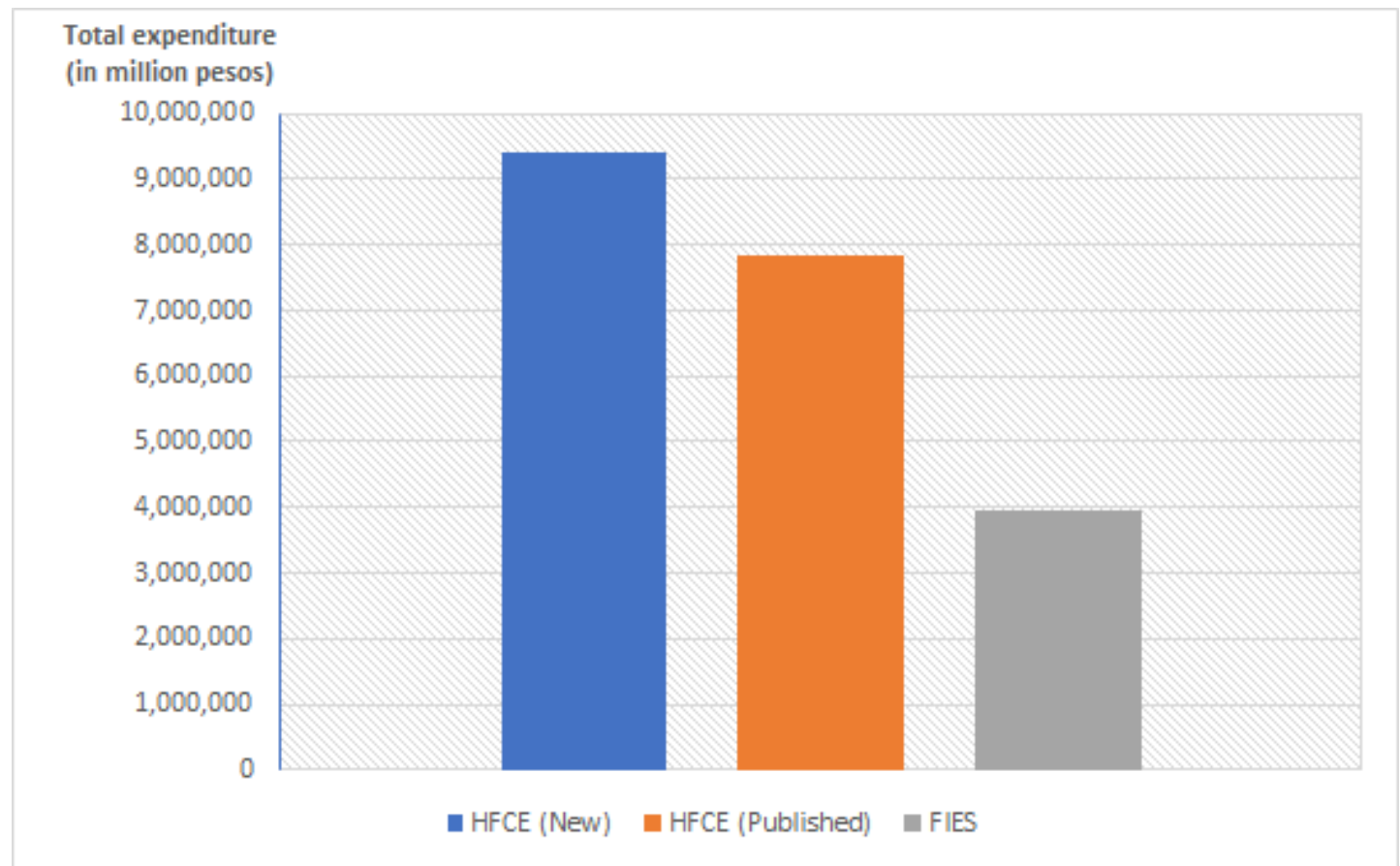


Services

Preliminary Results

The new 2012 HFCE levels is higher by Php 1.56 trillion than the published levels, attributed to the improvements of coverage and methodologies done.

2012 Comparison of total expenditures of HFCE and FIES

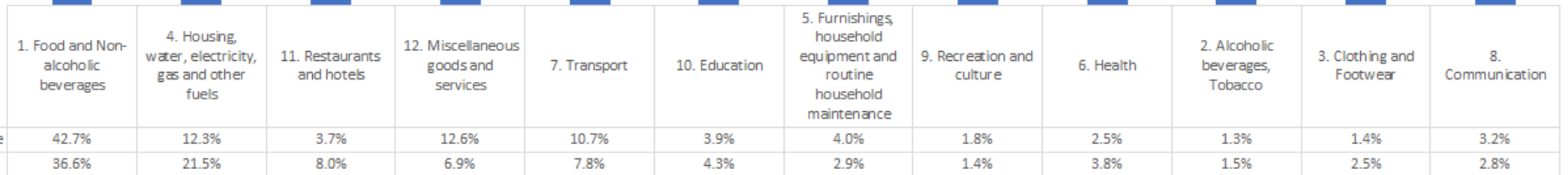


Preliminary Results

2012 Comparison of published and new estimates of HFCE, in percent share

Percentage Share

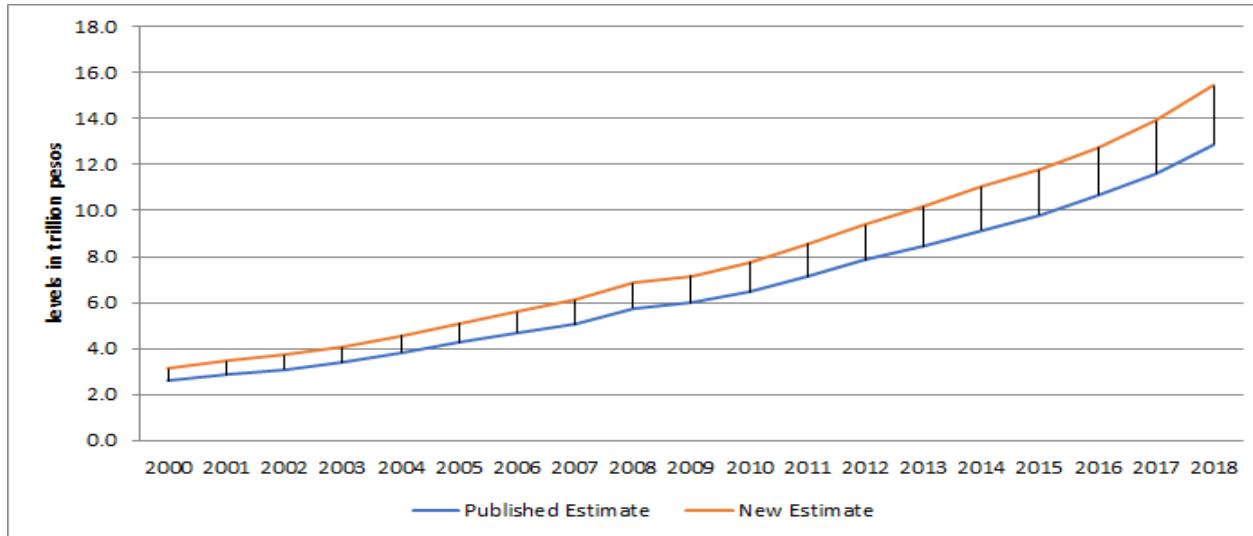
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%



- Percentage share of each item changed due to the change in consumption pattern
- Major changes were observed on Housing, water, electricity, gas and other fuels (9.2 ppt); Food and Non-alcoholic beverages (6.0 ppt); Miscellaneous goods and services (5.7 ppt); and Restaurants and hotels (4.3 ppt)

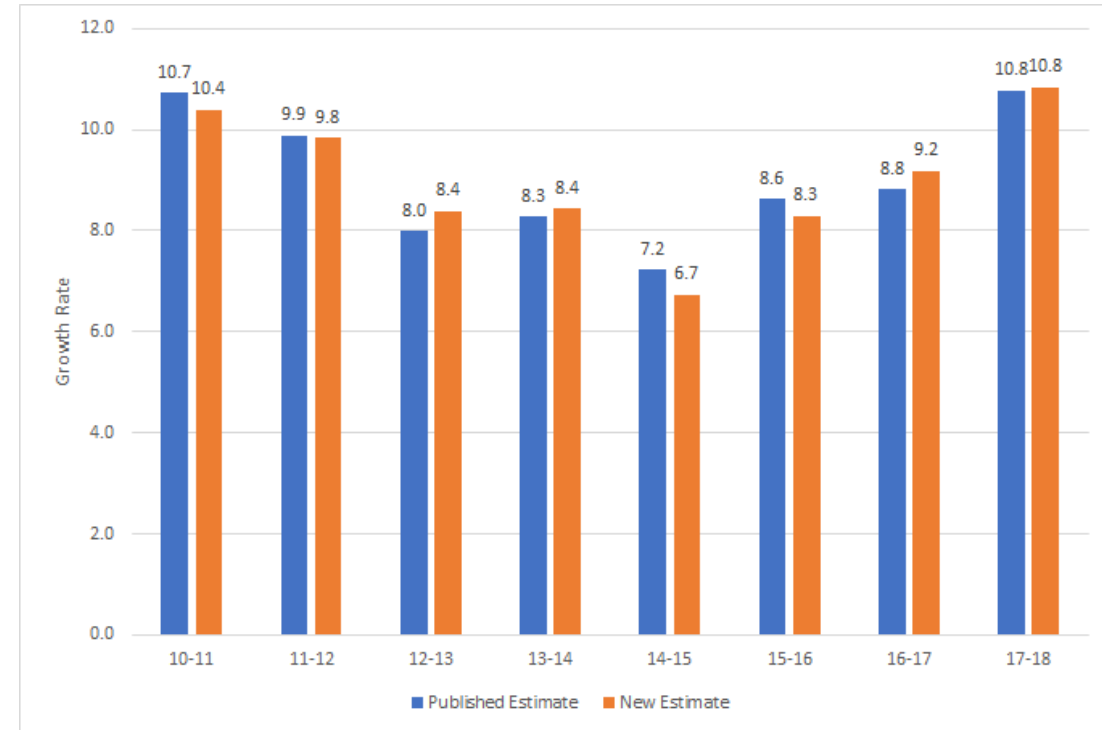
Preliminary Results

HFCE at current prices, 2000 to 2018



The trend of the new and published estimates are the same since extrapolation method is used to generate the series.

HFCE growth rates at current prices, 2010 to 2018



Revisions in the growth rates of HFCE are also minimal with an average change of 0.38 percentage points.

Conclusion and Way Forward

Since HFCE comprises bulk of GDP, a good measure of this expenditure item is imperative. Quality of estimates may be improved through the Supply and Use Table. Moreover, the following are the ways forward:

- Replicating the said methodology for 2018;
- Exploring possible indicators for non-benchmark estimation;
- Studying the framework of financial social accounting matrix (FSAM); and
- Harmonization of existing surveys and administrative-based data to fit the requirements of national accounts compilation

Thank you.

