

TECHNICAL NOTES

Gross Regional Domestic Product

I. Introduction

The Gross Regional Domestic Product (GRDP) is the aggregate of Gross Value Added (GVA) of all resident producer units in the region. It is an indicator that measures the size of the economy of the region. The GRDP includes estimates on the three major industries including their sub-industries are compiled and released annually. These are valued at current and constant 2018 prices. The GRDP at constant 2018 prices or the real GRDP is useful in capturing real output growth since inflationary effects have been removed.

The GRDP estimation follows the top-to-bottom approach estimation in which the national level estimates serve as control totals by industry. These are allocated to the regions using results of surveys and administrative-based data/indicators for its regional distribution.

The GRDP classification by industry adopts the 2009 Philippine Standard of Industrial Classification (2009 PSIC). This configuration is also revised in the overall revision and rebasing to highlight additional industries, which are Information and Communication, Accommodation and Food Service Activities, Professional and Business Services, Education, and Human Health and Social Work Activities.

1. Agriculture, Forestry, and Fishing
2. Industry
 - a. Mining and Quarrying
 - b. Manufacturing
 - c. Electricity, Steam, Water, and Waste Management
 - d. Construction
3. Services
 - a. Wholesale and retail trade; repair of motor vehicles and motorcycles
 - b. Transportation and storage
 - c. Accommodation and food service activities
 - d. Information and communication
 - e. Financial and insurance activities
 - f. Real estate and ownership of dwellings
 - g. Professional and business services
 - h. Public administration and defense; compulsory social activities
 - i. Education
 - j. Human health and social work activities
 - k. Other services

II. Scope and Coverage

1. Agriculture, Forestry, and Fishing (AFF)

This includes the exploitation of vegetal and animal natural resources, comprising the activities of growing crops, raising and breeding of animals, harvesting of timber and other plants, animals or animal products from a farm or their natural habitats. It has three divisions namely: Crop and animal production, hunting and related service activities, Forestry and Logging, and Fishing and Aquaculture.

Sub – Industries

Crop and animal production, hunting and related service activities

Involves the production of food and non-food crops; livestock and poultry production and animal products; hunting and trapping of animals and related support activities. This includes production for the market or for own subsistence use; organically and genetically modified crops and livestock.

Forestry and logging

Includes the production of roundwood for the forest-based manufacturing industries (Division 16 & 17) as well as the extraction and gathering of wild growing non-wood forest products. Besides the production of timber, forestry activities result in products that undergo little processing such as fire wood, charcoal, wood chips and roundwood used in an unprocessed form (e.g. pit-props, pulpwood, etc.). These activities can be carried out in natural or planted forests.

Fishing and aquaculture

Includes **capture fishery** and **aquaculture**, covering the use of fishery resources from marine, brackish or freshwater environments, with the goal of capturing or gathering fish, crustaceans, mollusks and other marine organisms and products (e.g. aquatic plants, pearls, sponges etc.)

2. Mining and Quarrying (MAQ)

This includes the extraction of minerals occurring naturally as solids (coal and ores), liquids (petroleum) or gases (natural gas). Extraction can be achieved by different methods, such as underground or surface mining, well operation, seabed mining, etc. This section also includes supplementary activities aimed at preparing the crude materials for marketing, for example, crushing, grinding, cleaning, drying, sorting, concentrating ores, liquefaction of natural gas and agglomeration of solid fuels.

Sub – Industries:

1. Mining of Coal
2. Extraction of crude petroleum and natural gas
3. Mining of gold and other precious

4. Mining of nickel ores
5. Mining copper ores
6. Stone quarrying, and other mining and quarrying

3. Manufacturing

This includes the physical or chemical transformation of materials, substances, or components into new products. The raw materials are products of agriculture, forestry, fishing, mining or quarrying as well as products of other manufacturing activities. Substantial alteration, renovation or reconstruction of goods is generally considered as manufacturing.

Sub-Industries

1. Food Products
2. Beverage
3. Tobacco Products
4. Textiles
5. Wearing Apparel
6. Leather and related products, including footwear
7. Wood, bamboo, cane, rattan articles and related products
8. Paper and paper products
9. Printing and reproduction of recorded media
10. Coke and refined petroleum products
11. Chemical and chemical products
12. Basic pharmaceutical products and pharmaceutical preparations
13. Rubber and plastic products
14. Other non-metallic mineral products
15. Basic metals
16. Fabricated metal products except machinery and equipment
17. Computer, and electronic and optical products
18. Electrical equipment
19. Machinery and equipment except electrical
20. Transport equipment
21. Furniture
22. Other manufacturing

4. Electricity, Steam, Water, and Waste Management

Electricity it includes the generation, transmission and distribution of electric power to end users; manufacture of gas; and distribution of gaseous fuels through mains. Also included here is the own-account production of electricity by households which are unorganized in nature.

Steam includes the production, collection and distribution of steam and hot water for heating, power and other purposes; production and distribution of cooled air; and production of ice for cooling purposes.

Water supply includes water collection from various sources, treatment and distribution activities by various means of domestic and industrial needs. Collection of water from various sources, as well as distribution by various means is included. The operation of irrigation canals is also included, however the provision of irrigation services through sprinklers, and similar agricultural support services, is not included.

Waste Management as a subindustry covers sewerage, waste collection, treatment and disposal activities, materials recovery, remediation activities and other waste management services.

5. Construction

This includes general construction and specialized construction activities for buildings and civil engineering works. It includes new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site and also construction of a temporary nature.

General construction is the construction of entire dwellings, office buildings, stores and other public and utility buildings, farm buildings etc., or the construction of civil engineering works such as motorways, streets, bridges, tunnels, railways, airfields, harbours and other water projects, irrigation systems, sewerage systems, industrial facilities, pipelines and electric lines, sports facilities etc.

This work can be carried out on own account or on a fee or contract basis. Portions of the work and sometimes even the whole practical work can be subcontracted out. A unit that carries the overall responsibility for a construction project is classified here. Also included is the repair of buildings and engineering works.

6. Wholesale and retail trade; repair of motor vehicles and motorcycles

This includes wholesale and retail sale (i.e. sale without transformation) of any type of goods and the rendering services incidental to the sale of these goods. Wholesaling and retailing are the final steps in the distribution of goods. Goods bought and sold are also referred to as merchandise. Also included in this section is the repair of motor vehicles and motorcycles. Sale without transformation is considered to include the usual operations (or manipulations) associated with trade, for example, sorting, grading and assembling of goods, mixing (blending) of goods (for example, sand), bottling (with or without preceding bottle cleaning), packing, breaking bulk and repacking for distribution in smaller lots, storage (whether or not frozen or chilled), cleaning and drying of agricultural products, cutting out of wood fibreboards or metal sheets as secondary activities.

7. Transportation and storage

This includes the provision of passenger or freight transport, whether scheduled or not, by rail, pipeline, road, water or air and associated activities such as terminal and parking facilities, cargo handling, storage etc. Also included in this section are the renting of transport equipment with driver or operator, and the postal and courier activities.

Sub-Industries

1. Land Transportation
2. Water Transportation
3. Air Transportation
4. Warehousing and Support Activities for Transportation
5. Postal and Courier Activities

8. Accommodation and food service activities

This includes the provision of short-stay accommodation for visitors and other travelers and the provision of complete meals and drinks fit for immediate consumption. Accommodation includes the provision of short-stay accommodation for visitors and other travellers. Also included is the provision of longer-term accommodation for students, workers and similar individuals. Some units may provide only accommodation while others provide a combination of accommodation, meals and/or recreational facilities.

Sub-Industries

1. Accommodation
2. Food Service Activities

9. Information and communication

This includes the production and distribution of information and cultural products, the provision of the means to transmit or distribute these products, as well as data or communications, information technology activities and the processing of data and other information service activities.

Publishing includes the acquisition of copyrights to content (information products) and making this content available to the general public by engaging in (or arranging for) the reproduction and distribution of this content in various forms. All the feasible forms of publishing (in print, electronic or audio form, on the internet, as multimedia products such as CD-ROM reference books, etc.) are included in this section.

10. Financial and insurance activities

This includes financial service activities, including insurance, reinsurance and pension funding and activities to support financial services. Also, this includes the activities of holding assets, such as activities of holding companies and the activities of trusts, funds and similar financial entities.

Banking Institutions includes the obtaining of funds in the form of transferable deposits, i.e. funds that are fixed in money terms, and obtained on a day-to-day basis and, apart from central banking, obtained from financial sources.

Non-Banks includes activities of holding companies, trusts, funds and other financial vehicles, and other financial service activities, except insurance and pension funding activities.

Insurance and pension funding except compulsory social security includes the underwriting annuities and insurance policies and investing premiums to build up a portfolio of financial assets to be used against future claims. Provision of direct insurance and reinsurance is included. Specifically, this includes insurance, reinsurance, and pension funding.

Activities auxiliary to Financial Services Activities includes the provision of services involved in or closely related to financial service activities, but not themselves providing financial services. The primary breakdown of this division is according to the type of financial transaction of funding served. These are activities auxiliary to financial service, except insurance and pension funding, activities auxiliary to insurance and pension funding, and fund management activities.

11. Real estate and ownership of dwellings

This includes acting as lessors, agents and/or brokers in one or more of the following: selling or buying real estate, renting real estate, providing other estate services such as appraising real estate or acting as real estate escrow agents. Activities in this section may be carried out on own or leased property and may be done on a fee or contract basis. Also included is the building of structures, combined with maintaining ownership or leasing of such structures.

12. Professional and business services

This includes specialized professional, scientific and technical activities. These activities require a high degree of training, and make specialized knowledge and skills available to users.

Also includes a variety of activities that support general business operations. These activities differ from those in Section M since their primary purpose is not the transfer of specialized knowledge.

13. Public administration and defense; compulsory social activities

This includes activities of governmental nature, normally carried out by the public administration. This includes the enactment and judicial interpretation of laws and their pursuant regulation, as well as the administration of programmes based on them, legislative activities, taxation, national defense, public order and safety, immigration services, foreign affairs and the administration of government programmes. This section also includes compulsory social security activities.

The legal or institutional status is not, in itself, the determining factor for an activity to belong in this section, rather than the activity being of a nature specified in the previous paragraph. This means that activities classified elsewhere in PSIC do not fall under this section, even if carried out by public entities. For example, administration of the school system (i.e. regulations, checks, curricula) falls under this section, but teaching itself does not (see Section P), and a prison or military hospital is classified to health (see Section Q). Similarly, some activities described in this section may be carried out by non-government units.

14. Education

This includes education at any level or for any profession, oral or written as well as by radio and television or other means of communication. It includes education by the different institutions in the regular school system at its different levels as well as adult education, literacy programmes, etc. Also included are military schools and academies, prison schools etc. at their respective levels. This section includes public as well as private education. Also includes instruction primarily concerned with sport and recreational activities and education support activities. Education can be provided in rooms, radio, television broadcast, Internet, correspondence or at home.

15. Human health and social work activities

This includes the provision of health and social work activities, involving a wide range of activities, starting from health care provided by trained medical professionals in hospitals and other facilities, over residential care activities that still involve a degree of health care activities to social work activities without any involvement of health care professionals.

16. Other services

This section includes a wide range of activities to meet varied cultural, entertainment and recreational interests of the general public , including live performances, operation of museums sites, sports, gambling and recreation activities. Also includes the activities of membership organizations, the repair of computers and personal and household goods and a variety of personal service activities not covered elsewhere in the classification.

III. Data and Data Sources		
Data	Source Agency/ Data Source	Schedule of Release/ Data Availability
1. Census of Philippine Business and Industry (CPBI)	Philippine Statistics Authority (PSA)	Every 6 years
2. Annual Survey on Philippine Business and Industry (ASPBI)	PSA	Annual
3. Quarterly Survey on Philippine Business and Industry (QSPBI)	PSA	Quarterly; 30 days after the reference quarter
4. Monthly Integrated Survey of Selected Industries (MISSI)	PSA	Monthly; 35 days after the reference month
5. Family Income and Expenditure Survey (FIES)	PSA	Triennial (every 3 years)
6. Building permits	PSA	Monthly; 60 days after the reference month for the first two months; and 40 days for the third month of the reference quarter
7. Consumer Price Index (CPI)	PSA	Monthly; 5 days after the reference month
8. General Wholesale Price Index (GWPI)	PSA	Monthly; 45 days after the reference month
9. Construction Materials Wholesale Price Index in NCR	PSA	Monthly; 15 days after the reference month
10. General Retail Price Index in NCR	PSA	Monthly; 30 days after the reference month
11. Producer Price Index	PSA	Monthly; 30 days after the reference month
12. Farmgate Prices	PSA	Monthly
13. Labor Force Survey (LFS)	PSA	Monthly; 40 days after the reference month
14. Performance of Philippine Agriculture	PSA	Quarterly; 39 days after the reference quarter

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15. National Expenditure Program	Department of Budget and Management (DBM)	Annual; Available at the beginning of the reference year
16. Staffing Summary	DBM	Annual; Available at the beginning of the reference year
17. Budget of Expenditures and Sources of Financing (BESF)	DBM	Annual; Available at the beginning of the reference year
18. Annual Financial Report	Commission on Audit	Annual; 9 months after the reference year
19. Public-Private Partnership Projects	Public Private Partnership Center	Quarterly; 40 days after the reference quarter
20. Production of Raw Sugar (In metric tons)	Sugar Regulatory Administration (SRA)	Quarterly
21. Composite Price of Raw Sugar	SRA	Quarterly
22. Crude and Petroleum Products Inventory	Department of Energy (DOE)	Monthly; 30-40 days after the reference month
23. Petroleum Products Wholesale Posted Prices	DOE	Monthly; 30-40 days after the reference month
24. Petroleum Production	DOE	Monthly; 30 days after the reference month
25. Domestic and International Demand for Petroleum Products	DOE	Monthly; 30-40 days after the reference month
26. Market Share of Retailing Petroleum Companies	DOE	Monthly; 30-40 days after the reference month
27. Coal Run-of-Mine Production	DOE	Monthly; 30 days after the reference month
28. Electricity Gross Generation, Electricity Sales and Consumption of Distribution Utilities, Volume of Steam Production, Steam Selling Price	DOE	Annual; 3 months after the reference year
29. Metallic Mineral Production	Mines and Geosciences Bureau	Monthly; 30 days after the reference month
30. Electricity Gross Generation, Electricity Transmission	National Grid Corporation of the Philippines	Quarterly; 40 days after the reference quarter
31. Energy Sales, Distribution Price	Meralco	Quarterly; 40-45 days after the reference quarter

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32. Volume of Steam Production, Steam Selling Price	Energy Development Corporation	Quarterly; 40-45 days after the reference quarter
33. Water Production	Metropolitan Waterworks and Sewerage System	Quarterly; 40-45 days after the reference quarter
34. Income Statement of Banks and Non-banks Institutions	Bangko Sentral ng Pilipinas (BSP)	45-50 days after the reference period
35. Exchange Rates	BSP	Daily
36. Consumer Expectations Survey	BSP	Quarterly
37. Business Expectations Survey	BSP	Quarterly
38. Income Statement of Insurance Companies	Insurance Commission	50-60 days after the reference period
39. Passenger Traffic and Gross Sales of Metro Rail Transit (MRT) 3	Department of Transportation	Quarterly; 30 - 45 days after the reference quarter
40. Gross Rail Revenue, Net Sales and Total Passengers/Ridership for Light Rail Transit (LRT) – Line 2	Light Rail Transit Authority	Quarterly; 30 - 45 days after the reference quarter
41. Rail Revenue and Average Daily Ridership for LRT – Line 1	Metro Pacific Investments Corporation	Quarterly; 30-40 days after the reference quarter
42. Passengers Carried and Revenues	Philippine National Railways	Quarterly; 30-45 days after the reference quarter
43. Domestic and International Passenger Traffic	Civil Aeronautics Board	Quarterly; 45-47 days after the reference quarter
44. Passengers Carried and Revenues	Philippine Airlines (PAL)	Quarterly; 30-40 days after the reference quarter
45. Fuel and catering services availed outside Philippines	PAL	Quarterly; 30-40 days after the reference quarter
46. Passengers Carried and Revenues	Cebu Pacific, Inc. (Cebu Pac)	Quarterly; 30-35 days after the reference quarter
47. Fuel and catering services availed outside Philippines	Cebu Pac	Quarterly; 30-40 days after the reference quarter
48. Cargo Throughput (domestic and foreign)	Philippine Ports Authority (PPA)	Quarterly; 25-30 days after the reference quarter
49. Ship calls (domestic and foreign)	PPA	Quarterly; 25-30 days after the reference quarter
50. Passenger traffic (embarked/disembarked)	PPA	Quarterly; 25-30 days after the reference quarter
51. Acquisition of Fixed Assets of GOCCs	Department of Finance (DOF)	Quarterly; 90 days after the reference quarter

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52. Actual Statements of Financial Operations of 16 Major Non-financial Government Corporations (MNFGCs)	DOF	Quarterly
53. Infrastructure Flagship Projects	National Economic Development Authority	Quarterly
54. Number of totally damaged houses	National Disaster Risk Reduction and Management Council	Quarterly; 30 days after the reference quarter
55. Forecast revenue and employment for the IT and BPO industry	IT & Business Process Association of the Philippines	
56. Overall Status of DPWH Infrastructure Program	Department of Public Works and Highways	Quarterly
57. Tourist/Visitors Receipts and Tourist Arrivals; Outbound Philippine Residents by Purpose; Outbound by Port of Disembarkation	Department of Tourism	Monthly; 60 days after the reference month
58. Travel Tax	Tourism Infrastructure and Enterprise Zone Authority	Quarterly; 30 days after the reference quarter
59. Commonly used fertilizer prices	Fertilizer and Pesticide Authority	Weekly
60. Trade margin of carabao for breeding	Philippine Carabao Center	Quarterly
61. Trade margin of poultry animals for breeding	Food and Agriculture Organization	Quarterly
62. Financial Statements of Companies	Philippine Stock Exchange	Quarterly; 40-45 days after the reference quarter
63. Export and Price Indexes	US Bureau of Labor Statistics	Monthly; 15-20 days after the reference month

IV. Methodology

The Gross Regional Domestic Product (GDP) is based on the concept of GVA. The production measure of GDP is derived as the value of output less intermediate consumption plus any taxes less subsidies on products not already in value of output. Operationally, GDP at the production of the Philippine System of National Accounts (PSNA) is compiled for the industries which allows the study of industrial activity in the economy and permits the compilation of supply and use tables and input-output tables. Sectoring of the industries is based 2009 Philippine Standard Industrial Classification System (PSIC). Measuring GVA at the industry level takes into account both the goods and services produced by the organized industry and unorganized industry for a more comprehensive picture of the performance of the industries or the economy as a whole. The organized industry includes the establishments and the government as producers of market output, output for own use, and non-market outputs, while the unorganized industry includes those that are not part of the organized industry but also producers of output such as the households.

In the production approach, GDP is measured at market prices by getting the sum of the GVA of all resident enterprises plus any taxes less subsidies on products not already in value of output (2008 SNA, para 7.10).

Gross value added is defined as output less intermediate consumption, it is a measure of the contribution to GDP made by an individual producer, industry or sector; gross value added is the source from which the primary incomes of the SNA are generated and is therefore carried forward into the primary distribution of income account.

Gross output is the value of goods and services produced by an establishment. It is equal to the value of sales adjusted for the changes in inventories of finished goods. Meanwhile, intermediate consumption consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital (*Philippine Statistics Authority, 2020*).

Constant price estimates of GDP are obtained by expressing values in terms of a base period. In theory, the price and quantity components of a value are identified and the price in the base period is substituted for that in the current period. The 2018-based constant price estimation used the single extrapolation method. This is an improvement in the estimation methodology as compared to the single deflation method used in the 2000-based series. This method means that the "output is deflated using an output price index". The value added is extrapolated by using volume indicators, and the assumption is that there is a constant relationship in the output, intermediate consumption and value added in volume terms.

V. Concepts and Definition of Terms

1. **The System of National Accounts (SNA)** is an internationally agreed standard set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles.
2. **Gross Domestic Product (GDP)** - The aggregate of gross value added (GVA) of all resident producer units in the country.
3. **Gross Value Added (GVA)** - The value of output less the value of intermediate consumption. GVA is composed of compensation, depreciation, indirect taxes paid net of subsidies received and the operating surplus, which is the payment to the producer as entrepreneur.
4. **Gross Output (GO)** - The value of goods and services produced by an establishment, excluding the value of any goods and services used in an activity for which the establishment does not assume the risk of using the products in production, and excluding the value of goods and services consumed by the same establishment except for goods and services used for capital formation (fixed capital or changes in inventories) or own final consumption.
5. **Intermediate Consumption (IC)** - The value of goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital.
6. **Products and producing units** - Each industry consists of a group of establishments engaged in the same, or similar, kinds of activity. Industry classifications are based on the Philippine Standard Industrial Classification (PSIC).

VI. Dissemination of Results

The Gross Regional Domestic Production is being released annually in April through press conferences conducted simultaneously in all seventeen regions. Latest GRDP results covered the period 2019 to 2021 which was disseminated on 28 April 2022.

The web release materials include press release, statistical tables, infographics, publication report, and social cards.