



GDP Rebasing

The *Gross Domestic Product (GDP)* and the *economic growth rate* are two of the key indicators of National Accounts and crucial for the public and private sector for planning, decision-making, policy formulation and monitoring of the economy.

As economies are dynamic in nature, their structure change over time. *Rebasing* is the estimation of the GDP based on a new reference year (base year for the estimates at constant prices) in order to account for these changes. This takes into account: a) changes in the structure of the economy either because new sectors have been added to the economy or because some sectors have increased in absolute or relative terms; and b) changes in relative prices. *The benchmark year* is an arbitrary but convenient base year chosen to compare the real GDP across years, such that meaningful comparisons can be established.

The CSO has updated its benchmark year to 2011 and revised and rebased the GDP time series for the years 2000 to 2011 using the new benchmark year 2011 as the new base year for the estimates at constant prices. Furthermore, the exercise provided an opportunity to apply advancements in classification and compilation standards, for instance the International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 4 and the 2008 System of National Accounts.

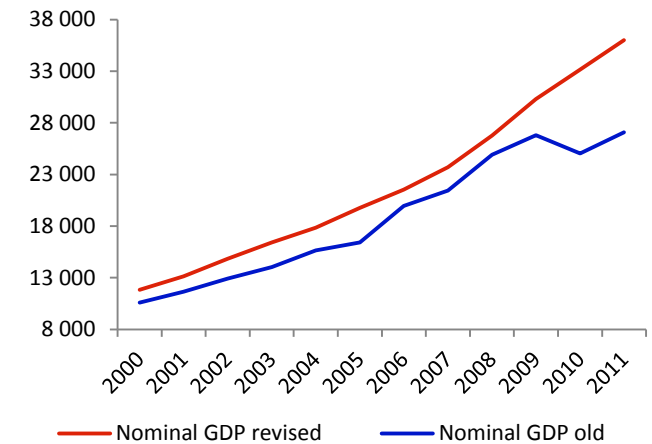
Data Sources: The main data sources were the Economic Census 2011, the Swaziland Household Income and Expenditure Survey (SHIES) 2010 and the Labour Force Survey (LFS) 2010.

Implications: The rebasing of GDP has impacts on macroeconomic concepts, such as nominal and real GDP, real economic growth rates, and the structure of the economy. Rebasing does not change the specifics of an economy or the existing social economic challenges such as poverty and unemployment overnight. However, the rebasing provides new parameters on which planning and policy formulation can be based in order to address these problems.

Key Results

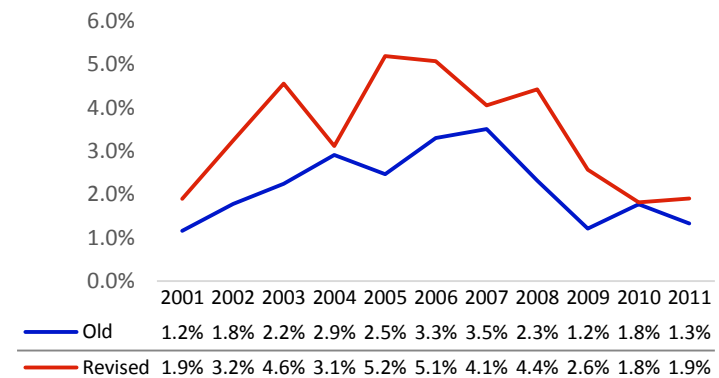
Nominal GDP - The nominal GDP in 2011 increased by 33 percent to E36,015 million. On average, the GDP for the years 2000 to 2011 increased by 16 percent.

Figure: Nominal GDP according to the previous and revised estimates, E million



Real Economic Growth Rate - The annual *average* GDP growth rate for the period 2000 to 2011 increased from 2.2 to 3.4 percent with the new estimates.

Figure: Real GDP growth rates according to new and revised estimates, per cent



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Economic Structure - The rebasing reflects the change in the structure of the economy over the past two decades. The per cent share decreased for the primary and secondary sector, as well as for taxes on products, whereas the tertiary sector share increased. The per cent share of different economic activities to GDP in the year 2011 are presented in the Figure below.

Figure: Change in per cent share of economic sectors in 2011, with benchmark year 1985 and 2011, per cent

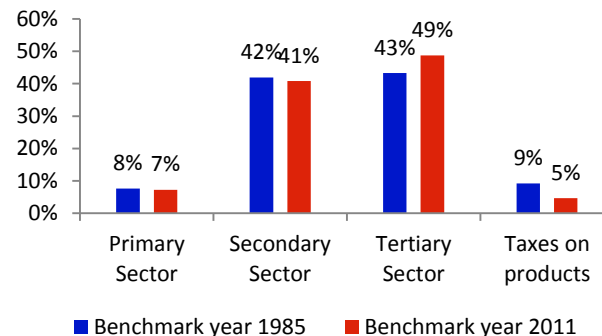


Figure: Per cent share by industry to GDP in benchmark year, 2011



National Accounts Report

The National Accounts Report includes the following information and is available on request as a soft copy through national.accounts@gov.sz

- **2011 Benchmark Estimates**, including independent estimates for GDP by economic activity and expenditure, GDP by institutional sectors and GDP income components.
- **Rebased GDP Estimates 2000 to 2011**, including independent estimates for GDP by economic activity and expenditure.
- **Provisional GDP Estimates 2012 to 2014**
- **Technical notes** on data sources and methodology applied.
- **Time series tables** for GDP by economic activity and expenditure, including current prices, per cent shares, constant prices, growth rates and implicit deflators.
- **Frequently Asked Questions (FAQ)** section with answers to general questions regarding GDP compilation, GDP rebasing and its consequences for the Swazi economy.

Table: Preliminary estimates nominal GDP and real GDP growth rates 2012-2014

Description	Nominal GDP, E million			
	2011	2012	2013	2014
Primary sector	2,620	2,797	3,002	2,939
Secondary sector	14,699	16,052	17,633	19,474
Tertiary sector	17,566	19,554	22,138	24,273
Financial services indirectly measured	-547	-518	-566	-623
Total: All industries	34,338	37,885	42,207	46,062
Taxes on products	1,677	2,085	2,313	2,694
Nominal GDP	36,015	39,970	44,519	48,756
Real GDP growth rate, per cent	1.9%	3.4%	4.6%	2.7%



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