



NEWS RELEASE



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THE BUREAU OF ECONOMIC ANALYSIS (BEA) RELEASES ESTIMATES OF GROSS DOMESTIC PRODUCT, GROSS DOMESTIC PRODUCT BY INDUSTRY, COMPENSATION BY INDUSTRY, AND DETAILED CONSUMER SPENDING FOR THE U.S. VIRGIN ISLANDS

CHARLOTTE AMALIE, U.S. VIRGIN ISLANDS (October 15, 2012) -- Today, the Bureau of Economic Analysis (BEA) is releasing estimates of gross domestic product (GDP) for the U.S. Virgin Islands for 2010 and revised estimates for 2002 to 2009.¹ In this release, BEA – for the first time – also includes estimates of GDP by industry, compensation by industry, and detailed consumer spending. These estimates were developed under the Statistical Improvement Program funded by the Office of Insular Affairs (OIA) of the U.S. Department of the Interior.

Gross Domestic Product for 2010

After declining for two years, the economy of the U.S. Virgin Islands grew in 2010. The estimates for the U.S. Virgin Islands show that real GDP – GDP adjusted to remove price changes – increased 2.9 percent (see Table 1.3). For comparison, real GDP for the U.S. (excluding the territories) increased 2.4 percent in 2010.

The trade balance contributed significantly to economic growth in 2010 as imports of goods declined more rapidly than exports of goods (see Table 1.4). As in previous years, the oil refining industry continued to play a major role in the economy, accounting for the vast majority of imports and exports of goods.

The increase in GDP in 2010 also reflected increases in government spending and in private fixed investment, primarily construction.² Economic growth was tempered by a decline in inventory investment.

More detailed estimates of consumer spending are being released for the first time today and show that, in 2010, spending on services contributed to the increase in overall consumer spending for the year. Within services, “other” services and health care were the primary contributors to this increase. Net foreign travel is calculated as spending by U.S. Virgin Islands residents abroad less spending by nonresidents in the U.S. Virgin Islands. It also contributed positively to growth in consumer spending as the decline in spending by visitors to the U.S. Virgin Islands outpaced that of U.S. Virgin Islands residents traveling abroad. Spending on goods, particularly durable goods, decreased.

¹ These estimates are based on limited source data and are subject to revision.

² In this news release, “consumer spending” refers to “personal consumption expenditures,” “inventory investment” refers to “change in private inventories,” and “government spending” refers to “government consumption expenditures and gross investment.”

Gross Domestic Product by Industry and Compensation by Industry

The new estimates of gross domestic product by industry (GDP by industry) provide additional information on economic growth and complement the aggregate GDP estimates that have been published since 2010. While the GDP estimates show how much the entire economy has grown (or contracted), the GDP by industry estimates show how major industries have contributed to that growth.

For the U.S. Virgin Islands, the GDP by industry estimates show that services-producing industries were the primary source of overall GDP growth in 2010 (see Table 2.5). Goods-producing industries continued to contribute negatively to economic growth. The decline in the goods-producing industries reflected the decline of the petroleum refining industry.

The compensation by industry estimates show trends in compensation for major industries (see Table 2.6). Total compensation grew in 2010, reflecting increases in all sectors except wholesale and retail trade.

The accompanying tables present estimates for GDP and its major components, GDP by industry, and compensation by industry. Also included in this release are estimates for the major components of gross domestic income.

Revisions to GDP

Estimates for 2002 to 2009 that were released on June 13, 2011 have been revised in order to incorporate improvements to source data; these improvements include the following:

- Incorporating newly available gross business receipts data from the Virgin Islands Bureau of Internal Revenue for 2010 and revised receipts for 2008 and 2009.
- Incorporating improved source data for expenditures in the U.S. Virgin Islands by foreign residents and for expenditures on foreign travel by U.S. Virgin Islands residents; because the resulting revisions were offsetting between consumer spending and net exports of services, GDP was not impacted.
- Incorporating additional information on government spending, including more detailed and higher frequency data for territorial government expenditures.

The pattern of growth in the revised estimates is similar to that of the previously published estimates (see Table 1.7). In both the revised and the published estimates, real GDP decreased in 2003, 2008 and 2009.

Future directions

Moving forward, an agreement between OIA and BEA will extend and improve the estimates of GDP for the U.S. Virgin Islands. The information provided by the U.S. Virgin Islands Government will continue to be critical to the successful production of these estimates.

BEA currently plans to release estimates for 2011 in the spring of 2013.

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1. Domestic Product and Income

Table 1.1. Gross Domestic Product

	Line	[Millions of dollars]								
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross domestic product	1	3,295	3,456	3,817	4,457	4,546	4,853	4,255	4,248	4,498
Personal consumption expenditures	2	1,613	1,703	1,836	2,065	2,246	2,247	2,239	2,328	2,384
Goods	3	923	947	1,063	1,211	1,337	1,253	1,186	1,158	1,144
Durable goods	4	636	656	734	851	922	793	693	666	620
Nondurable goods	5	287	291	329	360	415	460	492	492	524
Foods, feeds, and beverages	6	199	198	227	236	251	266	299	301	309
Other nondurable goods	7	87	93	102	124	164	194	193	191	215
Services	8	1,568	1,680	1,767	1,907	1,986	2,108	2,188	2,174	2,239
Housing and utilities	9	407	432	461	498	526	587	645	651	650
Health care	10	141	148	164	179	197	218	239	256	286
Food services and accommodations	11	388	428	459	491	510	515	509	480	464
Other services	12	633	672	683	740	754	788	795	787	839
Net foreign travel	13	-878	-925	-994	-1,052	-1,077	-1,114	-1,135	-1,004	-1,000
Private fixed investment	14	436	303	354	446	490	435	403	365	380
Change in private inventories	15	-73	27	33	-5	-30	-540	180	210	-167
Net exports of goods and services	16	497	658	814	1,138	879	1,636	318	185	659
Exports	17	4,809	6,520	8,604	11,632	12,730	14,141	18,412	10,718	12,935
Goods	18	3,911	5,575	7,587	10,556	11,628	13,002	17,255	9,696	11,922
Services	19	898	945	1,017	1,076	1,102	1,139	1,157	1,021	1,013
Imports	20	4,312	5,861	7,790	10,495	11,850	12,505	18,094	10,532	12,276
Goods	21	4,140	5,651	7,547	10,243	11,615	12,251	17,861	10,310	12,067
Services	22	172	210	243	252	235	254	233	223	209
Government consumption expenditures and gross investment	23	822	765	779	814	960	1,074	1,115	1,159	1,243
Federal	24	84	93	109	110	117	126	134	150	186
Territorial	25	739	671	670	704	843	949	981	1009	1057

NOTE. Detail may not add to total because of rounding.

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Table 1.2. Real Gross Domestic Product, Chained Dollars

	Line	[Millions of chained (2005) dollars]								
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross domestic product	1	4,200	4,159	4,299	4,457	4,635	4,836	4,816	4,532	4,666
Personal consumption expenditures	2	1,781	1,829	1,906	2,065	2,189	2,076	1,948	2,001	2,009
Goods	3	933	968	1,081	1,211	1,292	1,161	1,014	965	920
Durable goods	4	619	655	733	851	906	746	610	575	530
Nondurable goods	5	317	313	349	360	385	411	398	384	381
Foods, feeds, and beverages	6	213	209	236	236	235	244	249	227	218
Other nondurable goods	7	103	104	112	124	150	167	149	157	165
Services	8	1,758	1,807	1,843	1,907	1,930	1,949	1,932	1,907	1,944
Housing and utilities	9	458	463	478	498	524	527	520	531	532
Health care	10	167	164	171	179	192	205	218	228	247
Food services and accommodations	11	426	460	475	491	491	475	460	431	411
Other services	12	708	719	720	740	723	743	734	717	754
Net foreign travel	13	-908	-944	-1,017	-1,052	-1,032	-1,034	-996	-868	-849
Private fixed investment	14	496	336	375	446	462	397	359	326	338
Change in private inventories	15	-161	49	46	-5	-26	-414	105	200	-123
Net exports of goods and services	16	1,093	1,206	1,191	1,138	1,122	1,732	1,352	940	1,258
Exports	17	9,293	10,835	11,540	11,632	11,029	11,069	11,223	10,115	9,691
Goods	18	8,277	9,879	10,503	10,556	9,974	10,014	10,197	9,217	8,817
Services	19	933	967	1,041	1,076	1,057	1,057	1,014	883	859
Imports	20	8,200	9,629	10,349	10,495	9,907	9,337	9,871	9,175	8,433
Goods	21	7,985	9,395	10,092	10,243	9,675	9,092	9,646	8,954	8,235
Services	22	209	234	256	252	232	251	215	217	192
Government consumption expenditures and gross investment	23	878	782	807	814	869	957	964	991	1019
Federal	24	97	106	116	110	110	112	116	132	156
Territorial	25	778	676	692	704	759	845	847	859	864
Addenda:										
Population (thousands) ¹	26	110.0	110.7	111.5	111.5	113.7	114.7	115.9	107.3	106.4
Per capita real GDP (chained dollars)	27	38,182	37,570	38,556	39,973	40,765	42,162	41,553	42,237	43,853

1. Source: U.S. Virgin Islands Bureau of Economic Research

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Table 1.3. Percent Change From Preceding Year in Real Gross Domestic Product

	Line	[Percent]							
		2003	2004	2005	2006	2007	2008	2009	2010
Gross domestic product	1	-1.0	3.4	3.7	4.0	4.3	-0.4	-5.9	2.9
Personal consumption expenditures	2	2.7	4.2	8.4	6.0	-5.2	-6.2	2.7	0.4
Goods	3	3.7	11.7	12.0	6.7	-10.1	-12.7	-4.8	-4.7
Durable goods	4	5.9	11.9	16.0	6.6	-17.7	-18.2	-5.8	-7.8
Nondurable goods	5	-1.1	11.3	3.2	7.0	6.6	-3.2	-3.5	-0.6
Foods, feeds, and beverages	6	-1.9	12.9	-0.3	-0.3	3.6	2.3	-9.0	-4.0
Other nondurable goods	7	0.8	7.8	10.8	20.7	11.1	-10.6	5.6	4.9
Services	8	2.8	2.0	3.5	1.2	1.0	-0.9	-1.3	1.9
Housing and utilities	9	1.2	3.1	4.3	5.2	0.6	-1.3	2.0	0.2
Health care	10	-1.8	3.9	4.6	7.3	7.2	6.1	4.5	8.6
Food services and accommodations	11	8.1	3.1	3.3	0.1	-3.3	-3.0	-6.4	-4.6
Other services	12	1.6	0.1	2.8	-2.2	2.7	-1.2	-2.3	5.1
Net foreign travel	13	.....	.....	.....	.....	.....	.....	.....	.....
Private fixed investment	14	-32.3	11.6	18.8	3.6	-13.9	-9.7	-9.1	3.8
Change in private inventories	15	.....	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services	16	.....	.....	.....	.....	.....	.....	.....	.....
Exports	17	16.6	6.5	0.8	-5.2	0.4	1.4	-9.9	-4.2
Goods	18	19.3	6.3	0.5	-5.5	0.4	1.8	-9.6	-4.3
Services	19	3.6	7.7	3.3	-1.8	0.0	-4.0	-12.9	-2.7
Imports	20	17.4	7.5	1.4	-5.6	-5.8	5.7	-7.0	-8.1
Goods	21	17.6	7.4	1.5	-5.6	-6.0	6.1	-7.2	-8.0
Services	22	12.0	9.0	-1.6	-7.9	8.2	-14.1	0.6	-11.3
Government consumption expenditures and gross investment	23	-10.9	3.2	0.8	6.8	10.1	0.7	2.8	2.8
Federal	24	9.6	9.4	-5.2	0.7	1.8	3.5	13.4	18.1
Territorial	25	-13.2	2.3	1.8	7.8	11.3	0.3	1.4	0.6

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Table 1.4. Contributions to Percent Change in Real Gross Domestic Product

	Line								
		2003	2004	2005	2006	2007	2008	2009	2010
Percent change:									
Gross domestic product	1	-1.0	3.4	3.7	4.0	4.3	-0.4	-5.9	2.9
Percentage points:									
Personal consumption expenditures	2	1.31	2.07	3.91	2.85	-2.59	-3.17	1.40	0.22
Goods	3	1.00	3.14	3.21	1.87	-3.01	-3.66	-1.32	-1.28
Durable goods	4	1.09	2.20	2.93	1.28	-3.62	-3.32	-0.92	-1.21
Nondurable goods	5	-0.09	0.93	0.27	0.60	0.61	-0.34	-0.40	-0.07
Foods, feeds, and beverages	6	-0.11	0.73	-0.02	-0.02	0.20	0.14	-0.64	-0.29
Other nondurable goods	7	0.02	0.21	0.29	0.61	0.41	-0.48	0.24	0.23
Services	8	1.31	0.96	1.57	0.52	0.46	-0.44	-0.63	0.98
Housing and utilities	9	0.15	0.39	0.50	0.59	0.07	-0.18	0.29	0.04
Health care	10	-0.08	0.17	0.19	0.30	0.31	0.30	0.25	0.52
Food services and accommodations	11	0.94	0.39	0.39	0.01	-0.38	-0.35	-0.75	-0.51
Other services	12	0.30	0.01	0.49	-0.38	0.44	-0.21	-0.42	0.94
Net foreign travel	13	-1.01	-2.02	-0.87	0.46	-0.04	0.93	3.35	0.52
Private fixed investment	14	-4.22	1.01	1.71	0.37	-1.51	-0.94	-0.84	0.32
Change in private inventories	15	3.12	-0.05	-1.08	-0.51	-10.43	17.35	2.99	-9.01
Net exports of goods and services	16	1.54	-0.36	-1.00	-0.06	16.72	-13.80	-10.17	10.65
Exports	17	25.48	13.35	1.97	-14.78	1.06	5.07	-34.12	-11.79
Goods	18	24.50	11.29	1.12	-14.33	1.06	6.10	-30.69	-11.14
Services	19	0.98	2.06	0.85	-0.45	0.00	-1.04	-3.43	-0.64
Imports	20	-23.94	-13.72	-2.97	14.71	15.66	-18.87	23.95	22.43
Goods	21	-23.30	-13.17	-3.07	14.26	16.08	-19.69	23.98	21.83
Services	22	-0.64	-0.55	0.10	0.46	-0.42	0.82	-0.03	0.60
Government consumption expenditures and gross investment	23	-2.71	0.69	0.16	1.33	2.13	0.17	0.72	0.78
Federal	24	0.24	0.26	-0.14	0.02	0.05	0.10	0.41	0.64
Territorial	25	-2.95	0.44	0.30	1.31	2.09	0.07	0.31	0.14

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Table 1.5. Percent Change From Preceding Year in Prices for Gross Domestic Product and Price Indexes for Gross Domestic Product

	Line	2002	2003	2004	2005	2006	2007	2008	2009	2010	
		[Percent]									
Gross domestic product	1	.....	5.9	6.8	12.6	-1.9	2.3	-12.0	6.1	2.8
Personal consumption expenditures	2	.....	2.8	3.4	3.8	2.6	5.5	6.2	1.2	2.0
		[Index numbers, 2005=100]									
Gross domestic product	3	78.5	83.1	88.8	100.0	98.1	100.4	88.3	93.7	96.4	
Personal consumption expenditures	4	90.6	93.1	96.3	100.0	102.6	108.2	114.9	116.3	118.6	

Table 1.6. Gross Domestic Income

	Line	[Millions of dollars]								
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross domestic income	1	3,295	3,456	3,817	4,457	4,546	4,853	4,255	4,248	4,498
Compensation of employees	2	1,683	1,676	1,775	1,922	2,064	2,174	2,222	2,153	2,274
Taxes on production and imports less subsidies	3	83	113	126	149	156	167	160	126	149
Gross operating surplus	4	1,529	1,668	1,915	2,386	2,326	2,513	1,873	1,970	2,075

NOTE. Detail may not add to total because of rounding.

Table 1.7. Revisions to Percent Change in Real Gross Domestic Product

	Line	2003	2004	2005	2006	2007	2008	2009
		Percent change:						
Revised	1	-1.0	3.4	3.7	4.0	4.3	-0.4	-5.9
Previously published	2	-1.0	3.4	3.7	4.0	4.3	-1.3	-5.6
Percentage points:								
Revision	3	0.0	0.0	0.0	0.0	0.0	0.9	-0.3

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2. GDP by Industry

Table 2.1. Value Added by Industry

	Line	[Millions of dollars]								
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross domestic product	1	3,295	3,456	3,817	4,457	4,546	4,853	4,255	4,248	4,498
Private industries	2	2,671	2,758	3,128	3,766	3,765	4,047	3,418	3,397	3,595
Goods-producing industries	3	698	718	1,002	1,467	1,429	1,468	1,016	1,009	1,052
Services-producing industries	4	1,972	2,040	2,125	2,299	2,336	2,579	2,402	2,388	2,543
Wholesale and retail trade	5	344	336	355	396	410	442	374	381	399
Accommodation and food services	6	271	289	313	330	336	412	369	360	351
Other services, except government	7	1,358	1,415	1,457	1,573	1,590	1,726	1,659	1,647	1,793
Government	8	625	699	689	691	781	806	837	851	903
Federal	9	85	94	111	115	122	126	132	139	149
Territorial	10	539	604	578	576	659	680	705	712	753

NOTE. Detail may not add to total because of rounding.

Table 2.2. Value Added by Industry as a Percentage of GDP

	Line	[Percent]								
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross domestic product	1	100	100	100	100	100	100	100	100	100
Private industries	2	81	80	82	84	83	83	80	80	80
Goods-producing industries	3	21	21	26	33	31	30	24	24	23
Services-producing industries	4	60	59	56	52	51	53	56	56	57
Wholesale and retail trade	5	10	10	9	9	9	9	9	9	9
Accommodation and food services	6	8	8	8	7	7	8	9	8	8
Other services, except government	7	41	41	38	35	35	36	39	39	40
Government	8	19	20	18	16	17	17	20	20	20
Federal	9	3	3	3	3	3	3	3	3	3
Territorial	10	16	17	15	13	14	14	17	17	17

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Table 2.3. Real Value Added by Industry

	Line	[Millions of chained (2005) dollars]								
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross domestic product	1	4,200	4,159	4,299	4,457	4,635	4,836	4,816	4,532	4,666
Private industries	2	3,553	3,452	3,588	3,766	3,935	4,125	4,085	3,807	3,940
Goods-producing industries	3	1,509	1,312	1,421	1,467	1,704	1,687	1,923	1,660	1,609
Services-producing industries	4	2,101	2,123	2,170	2,299	2,253	2,443	2,256	2,171	2,309
Wholesale and retail trade	5	375	358	367	396	401	427	368	352	372
Accommodation and food services	6	292	308	324	330	326	384	346	310	302
Other services, except government	7	1,435	1,457	1,478	1,573	1,527	1,632	1,540	1,509	1,636
Government	8	660	704	707	691	700	718	728	721	726
Federal	9	96	104	116	115	115	113	115	121	124
Territorial	10	563	599	591	576	585	605	613	600	603

Table 2.4. Percent Changes in Real Value Added by Industry

	Line	[Percent]							
		2003	2004	2005	2006	2007	2008	2009	2010
Gross domestic product	1	-1.0	3.4	3.7	4.0	4.3	-0.4	-5.9	2.9
Private industries	2	-2.8	3.9	5.0	4.5	4.8	-1.0	-6.8	3.5
Goods-producing industries	3	-13.1	8.3	3.3	16.1	-1.0	14.0	-13.7	-3.1
Services-producing industries	4	1.1	2.2	6.0	-2.0	8.4	-7.7	-3.7	6.4
Wholesale and retail trade	5	-4.3	2.5	7.8	1.2	6.5	-13.6	-4.4	5.6
Accommodation and food services	6	5.4	5.4	1.8	-1.3	17.9	-9.9	-10.5	-2.5
Other services, except government	7	1.6	1.5	6.4	-2.9	6.9	-5.6	-2.0	8.5
Government	8	6.6	0.4	-2.2	1.2	2.6	1.4	-0.9	0.7
Federal	9	9.0	11.0	-0.5	-0.5	-1.8	2.1	5.2	2.2
Territorial	10	6.3	-1.3	-2.5	1.6	3.5	1.2	-2.1	0.5

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Table 2.5. Contributions to Percent Change in Real Gross Domestic Product by Industry

	Line								
		2003	2004	2005	2006	2007	2008	2009	2010
Percent change:									
Gross domestic product	1	-1.0	3.4	3.7	4.0	4.3	-0.4	-5.9	2.9
Percentage points:									
Private industries	2	-2.30	3.16	4.11	3.72	4.00	-0.76	-5.49	2.77
Goods-producing industries	3	-2.92	1.90	0.95	4.79	-0.31	3.59	-3.40	-0.75
Services-producing industries	4	0.62	1.27	3.16	-1.06	4.32	-4.35	-2.09	3.52
Wholesale and retail trade	5	-0.44	0.24	0.69	0.11	0.58	-1.31	-0.38	0.49
Accommodation and food services	6	0.44	0.44	0.14	-0.10	1.34	-0.89	-0.93	-0.21
Other services, except government	7	0.63	0.58	2.33	-1.07	2.40	-2.15	-0.77	3.24
Government	8	1.25	0.08	-0.38	0.20	0.45	0.24	-0.18	0.15
Federal	9	0.23	0.30	-0.01	-0.01	-0.05	0.06	0.16	0.07
Territorial	10	1.03	-0.21	-0.36	0.22	0.50	0.18	-0.34	0.08

NOTE. Percentage-point contributions do not sum to the percent change in real gross domestic product because of rounding and differences in source data used to estimate GDP by industry and the expenditures measure of real GDP.

Table 2.6. Compensation of Employees by Industry

	Line	[Millions of dollars]								
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Total compensation	1	1,683	1,676	1,775	1,922	2,064	2,174	2,222	2,153	2,274
Private industries	2	1,063	1,015	1,136	1,270	1,321	1,415	1,428	1,334	1,401
Goods-producing industries	3	261	188	224	286	329	369	344	318	330
Services-producing industries	4	802	827	911	984	992	1,046	1,083	1,016	1,071
Wholesale and retail trade	5	169	172	184	189	191	201	203	194	193
Accommodation and food services	6	149	159	172	177	183	199	209	184	196
Other services, except government	7	484	496	555	617	618	646	672	638	681
Government	8	621	661	640	652	743	758	794	818	873
Federal	9	86	94	111	116	123	126	132	140	150
Territorial	10	535	567	529	536	621	632	662	678	723

NOTE. Detail may not add to total because of rounding.