



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 COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

CAPITOL HILL, SAIPAN (September 18, 2012) -- Today, the Bureau of Economic Analysis (BEA) is releasing estimates of gross domestic product (GDP) for the Commonwealth of the Northern Mariana Islands (CNMI) 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 six consecutive years, largely due to declines in the garment manufacturing industry, the CNMI's economy grew in 2010 (see Table 1.3). The estimates for the CNMI show that real GDP – GDP adjusted to remove price changes – increased 2.3 percent. For comparison, real GDP for the U.S. (excluding the territories) increased 2.4 percent in 2010. In addition, per capita real GDP for the CNMI increased in 2010, reflecting the growth in real GDP and a continued decline in the population (see Table 1.2).

The growth of the economy in 2010 largely reflected increases in territorial government spending, in consumer spending, and in exports of goods and services (see Table 1.4).² Economic growth was tempered by an increase in imports.³

Exports increased for the first time after five consecutive years of decline. Tourism services (which make up the majority of exports of services) increased due to an increase in the number of visitors to the islands, offsetting continued declines in exports of goods.

More detailed estimates of consumer spending are being released for the first time today and show that, in 2010, spending on both goods and services contributed to the increase in overall consumer spending for the year. Net foreign travel, calculated as spending by CNMI residents abroad less spending by nonresidents in the CNMI, contributed negatively to growth in consumer spending as spending by visitors to the CNMI outpaced that of CNMI residents traveling abroad.

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” and “government spending” refers to “government consumption expenditures and gross investment.”

³ Imports are a subtraction in the calculation of GDP.

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 CNMI, the GDP by industry estimates show that the distributive services sector (including retail and wholesale trade) and the territorial government were the largest contributors to overall GDP growth in 2010 (see Table 2.5). Meanwhile, the manufacturing sector continued to contribute negatively to economic growth. The significant declines in manufacturing from 2005 to 2009 reflected the decline of the garment manufacturing 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 both private and government compensation. However, compensation for the manufacturing sector continued to decline, falling each year from 2005 to 2010.

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

Estimates of GDP for 2002 to 2009 that were released on July 13, 2011 have been revised in order to incorporate improvements to source data and estimation methodologies. Major improvements are:

- Improved methodologies for estimating consumer spending on goods and services;
- The incorporation of newly available data from the U.S. Census Bureau, including:
 - Population and housing information from the 2010 Census of Population and Housing, and
 - Wage and salary data for 2008, 2009, and 2010 from County Business Patterns;
- The incorporation of newly available source data for territorial government spending from government financial statements for fiscal year 2010.

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 all years except 2003.

Future directions

Moving forward, an agreement between OIA and BEA will extend and improve the estimates of GDP for the CNMI. The information provided by the CNMI 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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Commonwealth of the Northern Mariana Islands

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	1,221	1,177	1,151	1,001	918	867	851	725	733
Personal consumption expenditures	2	537	539	551	520	559	560	590	516	531
Goods	3	331	342	396	337	370	357	387	342	370
Durable goods	4	120	123	146	128	141	135	138	118	133
Nondurable goods	5	211	219	250	209	229	222	249	224	236
Services	6	428	409	433	418	398	389	401	362	377
Net foreign travel	7	-221	-212	-278	-235	-209	-186	-199	-188	-215
Private fixed investment	8	24	24	42	41	35	24	27	27	26
Net exports of goods and services	10	293	255	190	67	-40	-69	-109	-164	-194
Exports	11	1,077	1,030	1,128	910	729	526	376	218	242
Goods	12	848	810	842	668	514	333	172	23	20
Services	13	229	220	286	242	215	192	205	195	222
Imports	14	784	775	938	844	769	595	485	382	436
Goods	15	675	667	808	727	663	512	417	327	379
Services	16	109	108	130	117	106	83	69	55	57
Government consumption expenditures and gross investment	17	367	358	369	374	364	352	343	346	370
Federal	18	14	16	13	17	14	13	16	21	22
Territorial	19	353	342	355	357	350	339	327	325	349

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	1,188	1,193	1,161	1,001	920	849	744	605	619
Personal consumption expenditures	2	580	595	585	520	525	506	499	433	444
Goods	3	370	379	421	337	358	338	343	294	313
Durable goods	4	136	133	158	128	139	132	130	107	117
Nondurable goods	5	234	246	263	209	219	206	213	187	196
Services	6	432	432	446	418	374	349	342	304	306
Net foreign travel	7	-225	-219	-281	-235	-206	-180	-184	-164	-175
Private fixed investment	8	25	25	43	41	34	23	26	26	25
Net exports of goods and services	9	188	177	146	67	-9	-26	-98	-163	-174
Exports	10	1,086	1,039	1,131	910	725	516	294	176	183
Goods	11	853	812	842	668	513	330	116	19	17
Services	12	232	226	289	242	212	186	190	170	180
Imports	13	898	862	984	844	734	543	392	339	357
Goods	14	790	752	854	727	636	471	337	295	315
Services	15	110	110	131	117	99	72	56	44	43
Government consumption expenditures and gross investment	16	398	404	385	374	368	335	314	312	328
Federal	17	17	18	14	17	14	12	14	19	19
Territorial	18	381	386	371	357	355	324	300	293	309
Addenda:										
Population (thousands) ¹	19	74.4	76.6	78.9	70.6	60.7	59.3	57.6	55.5	53.9
Per capita real GDP (chained dollars)	20	15,968	15,574	14,715	14,178	15,157	14,317	12,917	10,901	11,484

1. Source: U.S. Census Bureau

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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	0.4	-2.7	-13.8	-8.0	-7.7	-12.3	-18.8	2.3
Personal consumption expenditures	2	2.6	-1.8	-11.1	1.0	-3.7	-1.2	-13.3	2.4
Goods	3	2.3	11.1	-19.9	6.2	-5.6	1.6	-14.2	6.3
Durable goods	4	-2.0	18.5	-18.9	8.8	-4.9	-1.8	-17.6	9.1
Nondurable goods	5	4.8	7.0	-20.5	4.6	-6.0	3.6	-12.4	4.8
Services	6	0.0	3.1	-6.3	-10.6	-6.5	-2.0	-11.1	0.8
Net foreign travel	7	.....	.....	.....	.....	.....	.....	.....	.....
Private fixed investment	8	-0.2	70.4	-5.5	-15.7	-31.7	9.3	2.3	-4.0
Net exports of goods and services	9	.....	.....	.....	.....	.....	.....	.....	.....
Exports	10	-4.3	8.8	-19.5	-20.4	-28.8	-43.1	-40.1	4.0
Goods	11	-4.8	3.7	-20.6	-23.2	-35.8	-64.8	-83.4	-12.8
Services	12	-2.6	27.8	-16.3	-12.6	-12.2	2.4	-10.6	5.9
Imports	13	-4.0	14.2	-14.3	-13.0	-26.1	-27.7	-13.6	5.4
Goods	14	-4.7	13.4	-14.8	-12.6	-25.9	-28.6	-12.3	6.6
Services	15	0.1	19.0	-11.0	-15.3	-27.2	-22.5	-21.3	-2.1
Government consumption expenditures and gross investment	16	1.5	-4.8	-2.8	-1.4	-9.0	-6.4	-0.5	5.0
Federal	17	10.0	-23.2	17.4	-18.7	-11.9	19.6	31.3	-0.4
Territorial	18	1.1	-3.9	-3.6	-0.6	-8.8	-7.4	-2.0	5.4

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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	0.4	-2.7	-13.8	-8.0	-7.7	-12.3	-18.8	2.3
Percentage points:									
Personal consumption expenditures	2	1.17	-0.82	-5.46	0.54	-2.28	-0.74	-9.22	1.74
Goods	3	0.64	3.28	-7.03	2.13	-2.25	0.63	-6.56	3.02
Durable goods	4	-0.21	1.93	-2.49	1.14	-0.75	-0.26	-2.90	1.51
Nondurable goods	5	0.85	1.35	-4.54	0.99	-1.50	0.90	-3.65	1.51
Services	6	0.01	1.10	-2.40	-4.56	-2.86	-0.86	-5.27	0.40
Net foreign travel	7	0.52	-5.20	3.97	2.98	2.84	-0.52	2.61	-1.69
Private fixed investment	8	0.00	1.46	-0.20	-0.65	-1.21	0.24	0.07	-0.15
Net exports of goods and services	9	-1.21	-1.85	-7.19	-7.39	-0.63	-9.38	-9.42	-1.72
Exports	10	-3.90	7.74	-19.04	-18.58	-22.75	-27.98	-16.81	1.25
Goods	11	-3.41	2.51	-14.99	-15.50	-19.90	-28.47	-14.18	-0.41
Services	12	-0.50	5.22	-4.05	-3.08	-2.85	0.49	-2.63	1.66
Imports	13	2.70	-9.59	11.85	11.19	22.12	18.60	7.39	-2.97
Goods	14	2.71	-7.85	10.61	9.34	18.89	16.54	5.67	-3.14
Services	15	-0.01	-1.74	1.24	1.85	3.24	2.06	1.73	0.16
Government consumption expenditures and gross investment	16	0.45	-1.51	-0.93	-0.54	-3.63	-2.46	-0.19	2.43
Federal	17	0.12	-0.33	0.21	-0.32	-0.19	0.28	0.59	-0.01
Territorial	18	0.32	-1.17	-1.13	-0.22	-3.44	-2.73	-0.78	2.45

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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	.....	-4.0	0.6	0.8	-0.3	2.4	12.0	4.9	-1.1
Personal consumption expenditures	2	.....	-2.3	4.0	6.1	6.4	4.0	6.7	0.9	0.5
		[Index numbers, 2005=100]								
Gross domestic product	3	102.8	98.6	99.2	100.0	99.7	102.1	114.3	119.9	118.5
Personal consumption expenditures	4	92.7	90.6	94.2	100.0	106.4	110.7	118.1	119.1	119.7

Table 1.6. Gross Domestic Income

	Line	[Millions of dollars]								
		2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross domestic income	1	1,221	1,177	1,151	1,001	918	867	851	725	733
Compensation of employees	2	699	702	752	659	598	569	518	514	533
Taxes on production and imports less subsidies	3	126	149	164	161	140	118	107	98	91
Gross operating surplus	4	396	326	235	181	181	181	226	113	109

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	0.4	-2.7	-13.8	-8.0	-7.7	-12.3	-18.8
Previously published	2	1.2	-3.6	-14.3	-6.5	-7.7	-12.1	-19.8
Percentage points:								
Revision	3	-0.8	0.9	0.5	-1.5	0.0	-0.2	1.0

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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	1,221	1,177	1,151	1,001	918	867	851	725	733
Private industries	2	976	923	898	748	682	626	622	498	493
Manufacturing	3	408	399	390	353	247	176	66	25	24
Distributive Services	4	169	164	142	100	104	120	104	89	93
Accommodations and Amusement	5	115	102	97	71	89	73	116	110	109
All Other	6	284	258	268	223	242	257	337	274	268
Government	7	246	253	253	253	235	241	229	228	239
Federal	8	5	9	11	14	13	13	15	16	15
Territorial	9	240	244	243	240	223	228	214	211	224

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	80	78	78	75	74	72	73	69	67
Manufacturing	3	33	34	34	35	27	20	8	3	3
Distributive Services	4	14	14	12	10	11	14	12	12	13
Accommodations and Amusement	5	9	9	8	7	10	8	14	15	15
All Other	6	23	22	23	22	26	30	40	38	37
Government	7	20	21	22	25	26	28	27	31	33
Federal	8	0	1	1	1	1	1	2	2	2
Territorial	9	20	21	21	24	24	26	25	29	31

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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	1,188	1,193	1,161	1,001	920	849	744	605	619
Private industries	2	918	906	896	748	677	617	529	402	410
Manufacturing	3	348	365	378	353	253	183	35	26	25
Distributive Services	4	175	172	147	100	102	116	101	77	86
Accommodations and Amusement	5	114	104	100	71	85	68	107	92	95
All Other	6	288	267	273	223	236	246	319	233	230
Government	7	262	290	263	253	245	233	213	207	213
Federal	8	7	10	11	14	12	11	13	14	12
Territorial	9	255	279	252	240	232	222	200	192	200

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	0.4	-2.7	-13.8	-8.0	-7.7	-12.3	-18.8	2.3
Private industries	2	-1.4	-1.0	-16.6	-9.4	-8.9	-14.2	-24.0	1.9
Manufacturing	3	5.1	3.4	-6.5	-28.5	-27.6	-81.1	-24.6	-2.9
Distributive Services	4	-1.9	-14.6	-31.8	1.9	13.7	-13.3	-23.1	11.3
Accommodations and Amusement	5	-8.8	-4.2	-28.7	18.9	-19.2	56.4	-14.4	3.5
All Other	6	-7.2	2.1	-18.3	6.0	4.0	29.9	-27.1	-1.2
Government	7	10.7	-9.2	-3.8	-3.4	-4.7	-8.6	-3.1	2.9
Federal	8	56.5	11.8	18.6	-10.2	-6.1	12.1	10.1	-12.2
Territorial	9	9.6	-10.0	-4.8	-3.0	-4.6	-9.7	-4.0	4.1

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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	0.4	-2.7	-13.8	-8.0	-7.7	-12.3	-18.8	2.3
Percentage points:									
Private industries	2	-1.12	-0.80	-12.88	-7.06	-6.54	-10.64	-17.58	1.33
Manufacturing	3	1.67	1.13	-2.17	-9.98	-7.28	-21.50	-1.52	-0.10
Distributive Services	4	-0.26	-2.03	-3.97	0.19	1.55	-1.67	-2.91	1.35
Accommodations and Amusement	5	-0.84	-0.36	-2.45	1.38	-1.86	4.39	-2.02	0.52
All Other	6	-1.69	0.47	-4.29	1.36	1.06	8.15	-11.13	-0.45
Government	7	2.13	-2.08	-0.84	-0.84	-1.23	-2.21	-0.83	0.94
Federal	8	0.27	0.09	0.18	-0.14	-0.09	0.16	0.17	-0.28
Territorial	9	1.87	-2.17	-1.02	-0.69	-1.14	-2.37	-1.00	1.22

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	699	702	752	659	598	569	518	514	533
Private industries	2	473	473	517	418	375	353	303	300	310
Manufacturing	3	225	224	255	203	145	91	30	10	9
Distributive Services	4	48	52	53	45	50	66	59	60	63
Accommodations and Amusement	5	70	69	71	54	66	60	77	89	90
All Other	6	129	128	138	117	114	136	137	141	147
Government	7	226	229	235	240	222	216	215	214	223
Federal	8	6	9	11	14	13	13	15	17	15
Territorial	9	220	220	224	226	209	203	200	197	208

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