

News Release

EMBARGOED UNTIL RELEASE AT 7:00 P.M. EDT, SUNDAY, OCTOBER 15, 2017

BEA 17-55

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CNMI GDP INCREASES IN 2016

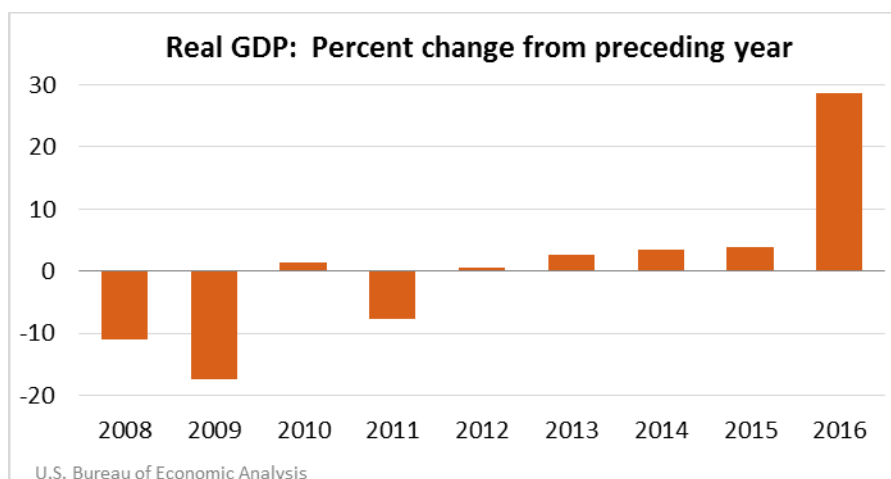
Growth led by gaming industry revenues and investments

CAPITOL HILL, SAIPAN (October 16, 2017) -- 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 2016, in addition to estimates of GDP by industry and compensation by industry for 2015.¹ 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.

Revised estimates of GDP for 2013 to 2015, as well as revised estimates of GDP by industry and compensation by industry for 2013 and 2014, are also presented in this release.

Gross Domestic Product for 2016

The estimates of GDP for the CNMI show that real GDP—GDP adjusted to remove price changes—increased 28.6 percent in 2016 after increasing 3.8 percent in 2015 (see Table 1.3). For comparison, real GDP for the United States (excluding the territories) increased 1.5 percent in 2016 after increasing 2.9 percent in 2015.



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

The growth in the CNMI economy reflected widespread increases among the components of GDP. These increases were partly offset by an increase in imports, which is a subtraction item in the calculation of GDP.

Exports of services was the largest contributor to economic growth in 2016, reflecting significant growth in visitor spending, particularly on casino gambling (see Table 1.4). The number of visitors to the CNMI grew over 10 percent, primarily reflecting an increase in visitor arrivals from Korea and China.

Private fixed investment increased over 60 percent in 2016, reflecting construction of the casino resort in Garapan and other hotel construction on Saipan.

Gross Domestic Product by Industry and Compensation by Industry for 2015

The estimates of GDP by industry for the CNMI show that the private sector was the primary source of the increase in real GDP in 2015 (see Table 2.5). The largest contributor to growth was the accommodations and amusement sector, reflecting growth in spending by tourists, including on casino gambling.

The compensation by industry estimates, which are measured in current dollars, show trends in compensation for major industries (see Table 2.6). Total compensation increased in 2015, reflecting increases in all sectors except “other”.

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 2013 to 2015 that were released on November 30, 2016 have been revised in order to incorporate improvements to source data, including:

- newly available data for territorial government spending from government financial statements,
- updated international trade data provided by the CNMI government, and
- information on gaming industry revenues and expenses from company financial reports.

The revised estimates show a similar pattern of inflation-adjusted growth as the previously published estimates (see Table 1.7).

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 GDP estimates for 2017 beginning in the summer of 2018. GDP by industry and compensation by industry estimates for 2016 will also be released at the same time.

Additional Information

Resources

- Stay informed about BEA developments by reading the BEA [blog](#), signing up for BEA's [email subscription service](#), or following BEA on Twitter [@BEA News](#).
- Historical time series for these estimates can be accessed at BEA's [Gross Domestic Product \(GDP\) for the U.S. Territories](#).
- Access BEA data by registering for BEA's Data [Application Programming Interface](#) (API).
- For more on BEA's statistics, see our monthly online journal, the [Survey of Current Business](#).
- BEA's [news release schedule](#)

Definitions

Gross domestic product (GDP) is the value of the goods and services produced by the CNMI economy less the value of the goods and services used up in production. GDP is also equal to the sum of personal consumption expenditures, private fixed investment, net exports of goods and services, and government consumption expenditures and gross investment.

Personal consumption expenditures (PCE), also referred to as “consumer spending,” measures the goods and services purchased by “persons”—that is, by households and by nonprofit institutions serving households (NPISHs)—who are resident in CNMI.

Private fixed investment (PFI) measures spending by private businesses, nonprofit institutions, and households on fixed assets in the CNMI economy. Fixed assets consist of structures, equipment, and software that are used in the production of goods and services.

Net exports of goods and services is the difference between exports of goods and services and imports of goods and services. Exports measures the portion of total CNMI production of goods and services that is provided to the rest of the world. Imports measures the portion of

total CNMI expenditures that is accounted for by goods and services provided by the rest of the world.

Government consumption expenditures and gross investment, or “government spending,” measures the portion of GDP that is accounted for by the government sector. Government consumption expenditures consists of spending by government to produce and provide services to the public. Gross investment consists of spending by government for fixed assets that directly benefit the public or that assist government agencies in their production activities.

Gross domestic income (GDI) is the sum of incomes earned and costs incurred in the production of GDP. In national economic accounting, GDP and GDI are conceptually equal.

Current-dollar estimates are valued in the prices of the period when the transactions occurred—that is, at “market value.” Also referred to as “nominal estimates” or as “current-price estimates.”

Real values are inflation-adjusted estimates—that is, estimates that exclude the effects of price changes.

Statistical Conventions

Quantities and prices. Quantities, or “real” volume measures, and prices are expressed as index numbers with a specified reference year equal to 100 (currently 2009). Quantity and price indexes are calculated using a Fisher chain-weighted formula that incorporates weights from two adjacent years. “Real” dollar series are calculated by multiplying the quantity index by the current-dollar value in the reference year (2009) and then dividing by 100.

Chained-dollar values are not additive because the relative weights for a given period differ from those of the reference year.

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1. Domestic Product and Income

Table 1.1. Gross Domestic Product

	Line	[Millions of dollars]									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross domestic product	1	938	939	795	799	733	751	784	845	933	1,242
Personal consumption expenditures	2	480	504	431	442	451	469	493	520	519	535
Goods	3	358	387	332	354	366	399	426	451	453	462
Durable goods	4	137	142	119	130	132	143	166	186	194	202
Nondurable goods	5	222	245	213	224	234	256	260	265	258	259
Services	6	409	427	381	398	378	427	460	498	566	960
Net foreign travel	7	-287	-310	-283	-309	-293	-357	-393	-429	-500	-887
Private fixed investment	8	79	83	85	77	74	79	87	123	198	327
Net exports of goods and services	9	47	29	-47	-70	-132	-98	-108	-110	-118	21
Exports	10	627	488	312	335	317	380	417	451	520	914
Goods	11	333	172	23	19	17	16	17	15	13	19
Services	12	293	316	289	316	300	364	400	436	507	895
Imports	13	579	459	360	405	449	478	525	561	638	893
Goods	14	498	394	307	346	384	409	449	477	488	634
Services	15	81	66	53	59	65	69	76	84	150	259
Government consumption expenditures and gross investment	16	332	324	327	349	340	301	312	312	333	359
Federal	17	13	15	20	22	22	21	20	22	28	29
Territorial	18	319	308	306	327	318	279	292	290	305	330

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 (2009) dollars]									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross domestic product	1	1,084	964	795	806	744	748	768	795	825	1,061
Personal consumption expenditures	2	516	509	431	444	430	440	463	482	493	508
Goods	3	395	400	332	349	338	363	390	403	414	424
Durable goods	4	149	149	119	127	121	131	153	169	185	191
Nondurable goods	5	246	251	213	222	217	232	237	235	230	234
Services	6	434	433	381	389	354	390	413	434	494	823
Net foreign travel	7	-313	-324	-283	-294	-263	-313	-338	-354	-416	-759
Private fixed investment	8	80	82	85	78	72	76	84	119	193	321
Net exports of goods and services	9	147	48	-47	-56	-82	-52	-61	-76	-139	-78
Exports	10	747	476	312	320	284	333	359	373	428	740
Goods	11	396	138	23	19	15	14	15	13	12	18
Services	12	320	331	289	300	269	319	345	360	416	721
Imports	13	600	428	360	376	367	384	421	449	567	818
Goods	14	511	361	307	320	308	323	354	378	440	593
Services	15	88	67	53	56	59	61	67	71	128	223
Government consumption expenditures and gross investment	16	348	326	327	341	327	286	289	279	295	314
Federal	17	13	16	20	21	21	20	19	20	25	25
Territorial	18	335	310	306	320	307	265	270	259	270	289
Addenda:											
Population (thousands) ¹	19	59.3	57.6	55.5	53.5	52.2	51.4	51.2	51.0	50.8	50.6
Per capita real GDP (chained dollars)	20	18,280	16,736	14,324	15,065	14,253	14,553	15,000	15,588	16,240	20,968

(1) Source: U.S. Census Bureau

NOTE. Estimates of population for 2013-2016 reflect the incorporation of updated information from the U.S. Census Bureau's International Data Base.

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

	Line	[Percent]								
		2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross domestic product	1	-11.1	-17.5	1.3	-7.7	0.6	2.7	3.5	3.8	28.6
Personal consumption expenditures	2	-1.4	-15.4	3.0	-3.2	2.4	5.2	4.3	2.2	3.0
Goods	3	1.3	-17.1	5.1	-3.0	7.4	7.4	3.3	2.7	2.4
Durable goods	4	0.2	-20.2	6.7	-5.0	8.5	17.1	10.0	9.5	3.3
Nondurable goods	5	2.0	-15.3	4.1	-1.9	6.8	2.0	-0.9	-2.1	1.6
Services	6	-0.3	-11.9	2.0	-9.1	10.4	5.7	5.3	13.7	66.5
Net foreign travel	7	.....	.....	.....	.....	.....	.....	.....	.....	.....
Private fixed investment	8	2.1	4.4	-8.9	-6.9	5.6	9.4	42.2	62.6	65.8
Net exports of goods and services	9	.....	.....	.....	.....	.....	.....	.....	.....	.....
Exports	10	-36.3	-34.4	2.4	-11.1	17.1	8.1	3.7	14.9	72.8
Goods	11	-65.2	-83.4	-16.7	-20.8	-8.6	6.9	-11.7	-9.0	48.3
Services	12	3.4	-12.5	3.8	-10.5	18.5	8.1	4.3	15.7	73.4
Imports	13	-28.6	-16.0	4.5	-2.5	4.8	9.5	6.7	26.3	44.2
Goods	14	-29.3	-15.0	4.3	-3.8	5.0	9.6	6.6	16.4	34.9
Services	15	-24.3	-21.2	6.0	5.7	3.8	8.8	7.2	79.4	74.3
Government consumption expenditures and gross investment	16	-6.4	0.2	4.4	-4.0	-12.8	1.1	-3.3	5.7	6.4
Federal	17	19.2	30.7	4.4	-3.6	-2.5	-6.4	7.4	25.1	-0.3
Territorial	18	-7.4	-1.3	4.4	-4.0	-13.5	1.7	-4.1	4.2	7.0

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

	Line									
		2008	2009	2010	2011	2012	2013	2014	2015	2016
Percent change:										
Gross domestic product	1	-11.1	-17.5	1.3	-7.7	0.6	2.7	3.5	3.8	28.6
Percentage points:										
Personal consumption expenditures	2	-0.68	-8.36	1.65	-1.80	1.47	3.22	2.64	1.33	1.64
Goods	3	0.48	-7.20	2.14	-1.39	3.69	3.91	1.81	1.36	1.13
Durable goods	4	0.03	-3.14	1.02	-0.84	1.52	3.22	2.09	2.00	0.68
Nondurable goods	5	0.45	-4.06	1.12	-0.55	2.17	0.69	-0.29	-0.63	0.44
Services	6	-0.13	-5.45	0.99	-4.67	5.37	3.25	3.07	7.87	40.01
Net foreign travel	7	-1.02	4.28	-1.47	4.25	-7.60	-3.93	-2.23	-7.91	-39.50
Private fixed investment	8	0.17	0.38	-0.96	-0.67	0.56	0.98	4.58	8.84	13.71
Net exports of goods and services	9	-8.43	-9.64	-1.19	-3.46	4.44	-1.93	-2.43	-8.40	10.95
Exports	10	-25.55	-17.22	0.95	-4.80	7.39	4.07	1.98	7.75	40.17
Goods	11	-26.56	-12.91	-0.49	-0.53	-0.20	0.14	-0.25	-0.15	0.67
Services	12	1.01	-4.31	1.44	-4.27	7.58	3.93	2.22	7.90	39.51
Imports	13	17.13	7.58	-2.14	1.35	-2.95	-6.00	-4.41	-16.14	-29.22
Goods	14	15.13	6.08	-1.74	1.78	-2.62	-5.20	-3.71	-8.50	-17.58
Services	15	2.00	1.50	-0.41	-0.43	-0.33	-0.80	-0.70	-7.65	-11.64
Government consumption expenditures and gross investment	16	-2.12	0.08	1.82	-1.75	-5.92	0.45	-1.31	2.06	2.25
Federal	17	0.24	0.51	0.11	-0.10	-0.07	-0.18	0.19	0.65	-0.01
Territorial	18	-2.36	-0.43	1.71	-1.65	-5.84	0.63	-1.50	1.41	2.26

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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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
		[Percent]									
Gross domestic product	1	1.6	12.5	2.7	-0.8	-0.7	1.9	1.7	4.1	6.4	3.5
Personal consumption expenditures	2	3.2	6.3	1.1	-0.4	5.3	1.6	-0.1	1.0	-2.2	-0.1 ^p
		[Index numbers, 2009=100]									
Gross domestic product	3	86.5	97.4	100.0	99.2	98.5	100.4	102.1	106.3	113.0	117.0
Personal consumption expenditures	4	93.0	98.9	100.0	99.6	104.9	106.6	106.6	107.7	105.3	105.2 ^p

(p) The 2016 CNMI Consumer Price Index was not available in time for incorporation into the estimates of GDP. The preliminary PCE price index for 2016 reflects trends in the Guam Consumer Price Index.

Table 1.6. Gross Domestic Income

	Line	[Millions of dollars]									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross domestic income	1	938	939	795	799	733	751	784	845	933	1,242
Compensation of employees	2	533	501	455	456	431	415	433	469	497	580
Taxes on production and imports less subsidies	3	119	109	99	94	95	102	121	153	165	220
Gross operating surplus	4	286	329	241	249	207	234	230	223	271	442

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

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

	Line	2008	2009	2010	2011	2012	2013	2014	2015
		Percent change:							
Revised	1	-11.1	-17.5	1.3	-7.7	0.6	2.7	3.5	3.8
Previously published	2	-11.1	-17.5	1.3	-7.7	0.6	2.3	2.8	3.5
Percentage points:									
Revision	3	0.0	0.0	0.0	0.0	0.0	0.4	0.7	0.3

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2. GDP by Industry

Table 2.1. Value Added by Industry

	Line	[Millions of dollars]								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
Gross domestic product	1	938	939	795	799	733	751	784	845	933
Private industries	2	717	727	586	589	540	563	586	642	721
Manufacturing	3	174	50	18	16	15	12	11	15	18
Distributive Services	4	140	165	135	149	153	157	170	178	187
Accommodations and Amusement	5	111	122	105	110	97	114	134	149	194
All Other	6	291	390	328	314	274	280	272	301	323
Government	7	222	212	209	210	193	188	198	203	211
Federal	8	13	14	16	14	15	15	15	14	15
Territorial	9	209	197	193	196	178	173	184	188	196

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

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

	Line	[Percent]								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
Gross domestic product	1	100	100	100	100	100	100	100	100	100
Private industries	2	76	77	74	74	74	75	75	76	77
Manufacturing	3	19	5	2	2	2	2	1	2	2
Distributive Services	4	15	18	17	19	21	21	22	21	20
Accommodations and Amusement	5	12	13	13	14	13	15	17	18	21
All Other	6	31	42	41	39	37	37	35	36	35
Government	7	24	23	26	26	26	25	25	24	23
Federal	8	1	1	2	2	2	2	2	2	2
Territorial	9	22	21	24	25	24	23	23	22	21

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Table 2.3. Real Value Added by Industry

	Line	[Millions of chained (2009) dollars]								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
Gross domestic product	1	1,084	964	795	806	744	748	768	795	825
Private industries	2	846	745	586	601	560	573	588	616	644
Manufacturing	3	181	52	18	16	15	11	10	13	16
Distributive Services	4	147	169	135	147	148	148	158	165	170
Accommodations and Amusement	5	120	128	105	110	98	110	126	136	169
All Other	6	391	396	328	328	298	303	291	298	283
Government	7	237	219	209	204	184	176	182	181	183
Federal	8	13	15	16	14	14	14	13	13	13
Territorial	9	224	205	193	191	170	163	168	168	170

Table 2.4. Percent Changes in Real Value Added by Industry

	Line	[Percent]								
		2008	2009	2010	2011	2012	2013	2014	2015	
Gross domestic product	1	-11.1	-17.5	1.3	-7.7	0.6	2.7	3.5	3.8	
Private industries	2	-12.0	-21.3	2.6	-6.9	2.3	2.6	4.8	4.6	
Manufacturing	3	-71.4	-65.4	-10.5	-7.8	-27.3	-6.5	32.4	22.0	
Distributive Services	4	15.1	-20.4	9.3	0.8	-0.3	7.1	3.9	3.5	
Accommodations and Amusement	5	6.9	-17.8	4.2	-11.0	13.0	13.8	8.3	24.5	
All Other	6	1.2	-17.1	0.1	-9.1	1.6	-4.2	2.5	-5.1	
Government	7	-7.5	-4.6	-2.3	-9.9	-4.3	3.1	-0.5	1.2	
Federal	8	10.0	9.9	-15.1	1.5	-2.4	-2.1	-3.7	2.8	
Territorial	9	-8.6	-5.6	-1.2	-10.8	-4.5	3.6	-0.2	1.1	

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

	Line	[Millions of dollars]							
		2008	2009	2010	2011	2012	2013	2014	2015
Percent change:									
Gross domestic product	1	-11.1	-17.5	1.3	-7.7	0.6	2.7	3.5	3.8
Percentage points:									
Private industries	2	-9.27	-16.49	1.94	-5.05	1.68	1.95	3.58	3.51
Manufacturing	3	-12.60	-3.50	-0.24	-0.16	-0.58	-0.10	0.45	0.38
Distributive Services	4	2.16	-3.58	1.58	0.16	-0.06	1.48	0.83	0.72
Accommodations and Amusement	5	0.78	-2.34	0.55	-1.52	1.74	2.12	1.41	4.27
All Other	6	0.39	-7.07	0.04	-3.53	0.58	-1.55	0.90	-1.86
Government	7	-1.71	-1.04	-0.61	-2.65	-1.13	0.79	-0.11	0.28
Federal	8	0.13	0.15	-0.32	0.03	-0.05	-0.04	-0.07	0.05
Territorial	9	-1.84	-1.19	-0.30	-2.68	-1.08	0.83	-0.05	0.23

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]								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
Total compensation	1	533	501	455	456	431	415	433	469	497
Private industries	2	336	307	263	264	259	252	267	298	311
Manufacturing	3	74	26	9	8	8	8	7	10	12
Distributive Services	4	62	72	58	62	62	63	67	71	74
Accommodations and Amusement	5	61	67	58	60	54	64	74	83	104
All Other	6	140	142	137	134	135	119	118	135	122
Government	7	197	194	192	191	172	163	166	171	185
Federal	8	13	14	16	14	14	14	14	14	15
Territorial	9	184	180	176	177	158	149	152	158	171

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