



NEWS RELEASE



EMBARGOED UNTIL RELEASE AT 10:00 A.M. EDT, MONDAY, AUGUST 12, 2013

Aya Hamano: (202) 606-9683 (BEA)
Wali Osman: (202) 208-4292 (OIA)

BEA 13-37

THE BUREAU OF ECONOMIC ANALYSIS (BEA) RELEASES 2011 AND 2012 ESTIMATES OF GROSS DOMESTIC PRODUCT FOR THE U.S. VIRGIN ISLANDS

CHARLOTTE AMALIE, U.S. VIRGIN ISLANDS (August 12, 2013) -- Today, the Bureau of Economic Analysis (BEA) is releasing estimates of gross domestic product (GDP) for the U.S. Virgin Islands for 2011 and 2012, in addition to estimates of gross domestic product by industry and compensation by industry for 2011.¹ 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. The release of the 2012 statistics reflects a one-year acceleration in the availability of the GDP estimates for the U.S. Virgin Islands.

The latest estimates for 2005 to 2010 for GDP, GDP by industry, and compensation by industry are also presented in this release.

Gross Domestic Product for 2011 and 2012

The estimates of GDP for the U.S. Virgin Islands show that real GDP – GDP adjusted to remove price changes – decreased 13.2 percent in 2012 after decreasing 6.6 percent in 2011 (see Table 1.3). In contrast, real GDP for the U.S. (excluding the territories) increased 2.8 percent in 2012 after increasing 1.8 percent in 2011. The decline in the Virgin Islands economy reflected decreases in exports of goods and territorial government spending (see Table 1.4).²

The decrease in exports of goods, particularly the sharp drop in 2012, reflected the decline of the petroleum refining industry that for many years had played a dominant role in the economy. The Hovensa oil refinery, one of the world's largest oil refineries, shut down operations on St. Croix in early 2012. Excluding the imports, exports, and inventory investment of the petroleum refining industry, GDP would have increased 2.6 percent in 2012 (see Table 1.3), primarily reflecting growth in exports of rum.

Territorial government spending contributed to the economic decline in 2011 and in 2012. Government construction activity decreased in both years, with activity in 2012 dropping more steeply than in 2011. Compensation of government employees also fell in both years, reflecting declines in government employment.

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

² In this news release, "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 for 2011

The estimates of GDP by industry for the U.S. Virgin Islands show that the goods-producing industries were the primary source of the decrease in real GDP in 2011 (see Table 2.5). The decline in the goods-producing industries reflected the decline of the petroleum refining industry discussed above and a decline in the construction sector. The government sector, which includes the territorial government and the federal government, also contributed to the decline in GDP. This decline largely reflected a decrease in government compensation.

The compensation by industry estimates, which are measured in current dollars, show trends in compensation for major industries (see Table 2.6). Total compensation decreased significantly in 2011; the largest contributor to the decrease in compensation was territorial government compensation. The Virgin Islands Economic Stability Act, signed in July of 2011, reduced government salaries by 8 percent for a period of two years. Compensation of employees in goods-producing industries also decreased significantly, reflecting the decline of the petroleum refining industry and a drop in construction activity.

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 2008 to 2010 that were released on October 15, 2012 have been revised in order to incorporate improvements to source data; these improvements include the following:

- Incorporating revised gross business receipts data from the Virgin Islands Bureau of Internal Revenue for 2008 to 2010.
- Incorporating newly available source data for territorial government spending from government financial statements.

In both the revised and the previously published estimates, real GDP increased in 2010 after decreasing in 2009 (see Table 1.7). In 2008, the revised estimates show a small increase in GDP instead of a small decrease.

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 GDP estimates for 2013 in the summer of 2014. GDP by industry and compensation by industry estimates for 2012 will also be released at the same time.

BEA's national, international, regional, and industry statistics; the <i>Survey of Current Business</i> ; and BEA news releases are available without charge on BEA's Web site at www.bea.gov . By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

U.S. Virgin Islands

1. Domestic Product and Income

Table 1.1. Gross Domestic Product

	Line	[Millions of dollars]							
		2005	2006	2007	2008	2009	2010	2011	2012
Gross domestic product	1	4,457	4,546	4,853	4,266	4,260	4,426	4,356	4,233
Personal consumption expenditures	2	2,065	2,246	2,247	2,244	2,328	2,415	2,511	2,533
Goods	3	1,211	1,337	1,253	1,170	1,148	1,151	1,206	1,172
Durable goods	4	851	922	793	703	667	637	664	638
Nondurable goods	5	360	415	460	467	482	514	542	535
Foods, feeds, and beverages	6	236	251	266	274	291	299	311	319
Other nondurable goods	7	124	164	194	193	190	215	230	215
Services	8	1,907	1,986	2,108	2,208	2,184	2,264	2,329	2,388
Housing and utilities	9	498	526	587	636	657	658	671	684
Health care	10	179	197	218	241	251	267	289	315
Food services and accommodations	11	491	510	515	533	482	513	526	528
Other services	12	740	754	788	799	794	826	843	861
Net foreign travel	13	-1,052	-1,077	-1,114	-1,135	-1,004	-1,000	-1,024	-1,027
Private fixed investment	14	446	490	435	405	349	367	352	273
Change in private inventories	15	-5	-30	-540	180	210	-267	124	178
Net exports of goods and services	16	1,138	879	1,636	322	195	653	173	192
Exports	17	11,632	12,730	14,141	18,412	10,718	12,935	14,364	3,227
Goods	18	10,556	11,628	13,002	17,255	9,696	11,922	13,329	2,189
Services	19	1,076	1,102	1,139	1,157	1,021	1,013	1,035	1,038
Imports	20	10,495	11,850	12,505	18,089	10,523	12,282	14,191	3,036
Goods	21	10,243	11,615	12,251	17,861	10,310	12,067	13,943	2,916
Services	22	252	235	254	228	213	215	248	119
Government consumption expenditures and gross investment	23	814	960	1,074	1,115	1,178	1,258	1,197	1,057
Federal	24	110	117	126	134	146	180	170	165
Territorial	25	704	843	949	981	1,033	1,078	1,027	892

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

U.S. Virgin Islands

Table 1.2. Real Gross Domestic Product, Chained Dollars

	Line	[Millions of chained (2005) dollars]							
		2005	2006	2007	2008	2009	2010	2011	2012
Gross domestic product	1	4,457	4,635	4,836	4,851	4,583	4,660	4,351	3,778
Personal consumption expenditures	2	2,065	2,189	2,076	1,961	2,036	2,087	2,123	2,116
Goods	3	1,211	1,292	1,161	1,008	987	970	956	913
Durable goods	4	851	906	746	619	576	545	534	507
Nondurable goods	5	360	385	411	385	405	419	415	399
Foods, feeds, and beverages	6	236	235	244	236	248	254	254	255
Other nondurable goods	7	124	150	167	149	157	164	161	145
Services	8	1,907	1,930	1,949	1,950	1,918	1,967	1,990	2,005
Housing and utilities	9	498	524	527	513	535	538	541	544
Health care	10	179	192	205	220	223	231	245	262
Food services and accommodations	11	491	491	475	481	434	455	454	444
Other services	12	740	723	743	738	725	742	749	754
Net foreign travel	13	-1,052	-1,032	-1,034	-996	-868	-849	-822	-799
Private fixed investment	14	446	462	397	361	311	327	307	235
Change in private inventories	15	-5	-26	-414	106	200	-197	67	92
Net exports of goods and services	16	1,138	1,122	1,732	1,364	945	1,252	723	144
Exports	17	11,632	11,029	11,069	11,231	10,113	9,690	8,055	1,710
Goods	18	10,556	9,974	10,014	10,204	9,214	8,816	7,239	1,114
Services	19	1,076	1,057	1,057	1,014	884	860	830	807
Imports	20	10,495	9,907	9,337	9,868	9,169	8,439	7,332	1,567
Goods	21	10,243	9,675	9,092	9,645	8,954	8,235	7,144	1,493
Services	22	252	232	251	211	207	198	187	90
Government consumption expenditures and gross investment	23	814	869	957	964	1,008	1,032	981	888
Federal	24	110	110	112	116	129	151	137	131
Territorial	25	704	759	845	847	878	881	845	757
Addenda:									
Population (thousands) ¹	26	111.5	113.7	114.7	115.9	107.3	106.4	105.9	105.4
Per capita real GDP (chained dollars)	27	39,973	40,765	42,162	41,855	42,712	43,797	41,086	35,844

1. BEA estimates based on data from the U.S. Virgin Islands Bureau of Economic Research and the U.S. Census Bureau.

U.S. Virgin Islands

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

	Line	[Percent]						
		2006	2007	2008	2009	2010	2011	2012
Gross domestic product	1	4.0	4.3	0.3	-5.5	1.7	-6.6	-13.2
Personal consumption expenditures	2	6.0	-5.2	-5.5	3.8	2.5	1.7	-0.3
Goods	3	6.7	-10.1	-13.1	-2.1	-1.7	-1.5	-4.5
Durable goods	4	6.6	-17.7	-17.1	-7.0	-5.4	-2.0	-5.0
Nondurable goods	5	7.0	6.6	-6.2	5.3	3.3	-0.9	-3.8
Foods, feeds, and beverages	6	-0.3	3.6	-3.0	5.0	2.5	0.1	0.3
Other nondurable goods	7	20.7	11.1	-10.6	5.6	4.6	-2.3	-9.4
Services	8	1.2	1.0	0.0	-1.6	2.5	1.2	0.7
Housing and utilities	9	5.2	0.6	-2.7	4.4	0.5	0.6	0.4
Health care	10	7.3	7.2	7.0	1.5	3.7	6.1	7.0
Food services and accommodations	11	0.1	-3.3	1.4	-9.9	4.9	-0.1	-2.3
Other services	12	-2.2	2.7	-0.7	-1.7	2.4	0.9	0.7
Net foreign travel	13	.....	.....	.....	.....	.....	.....	.....
Private fixed investment	14	3.6	-13.9	-9.2	-13.8	5.0	-6.2	-23.4
Change in private inventories	15	.....	.....	.....	.....	.....	.....	.....
Net exports of goods and services	16	.....	.....	.....	.....	.....	.....	.....
Exports	17	-5.2	0.4	1.5	-10.0	-4.2	-16.9	-78.8
Goods	18	-5.5	0.4	1.9	-9.7	-4.3	-17.9	-84.6
Services	19	-1.8	0.0	-4.0	-12.9	-2.7	-3.4	-2.8
Imports	20	-5.6	-5.8	5.7	-7.1	-8.0	-13.1	-78.6
Goods	21	-5.6	-6.0	6.1	-7.2	-8.0	-13.2	-79.1
Services	22	-7.9	8.2	-15.9	-1.6	-4.7	-5.2	-51.9
Government consumption expenditures and gross investment	23	6.8	10.1	0.7	4.5	2.4	-4.9	-9.6
Federal	24	0.7	1.8	3.5	10.8	17.3	-9.8	-4.2
Territorial	25	7.8	11.3	0.3	3.7	0.3	-4.1	-10.5
Addendum:								
GDP less petroleum exports, imports, and change in private inventories	26	4.0	0.2	3.4	-5.2	1.2	-3.0	2.6

U.S. Virgin Islands

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

	Line							
		2006	2007	2008	2009	2010	2011	2012
Percent change:								
Gross domestic product	1	4.0	4.3	0.3	-5.5	1.7	-6.6	-13.2
Percentage points:								
Personal consumption expenditures	2	2.85	-2.59	-2.85	1.96	1.35	0.93	-0.17
Goods	3	1.87	-3.01	-3.78	-0.57	-0.46	-0.39	-1.14
Durable goods	4	1.28	-3.62	-3.12	-1.12	-0.83	-0.28	-0.70
Nondurable goods	5	0.60	0.61	-0.66	0.56	0.38	-0.11	-0.44
Foods, feeds, and beverages	6	-0.02	0.20	-0.18	0.32	0.17	0.01	0.02
Other nondurable goods	7	0.61	0.41	-0.48	0.24	0.21	-0.11	-0.46
Services	8	0.52	0.46	0.00	-0.80	1.30	0.59	0.36
Housing and utilities	9	0.59	0.07	-0.38	0.64	0.08	0.08	0.06
Health care	10	0.30	0.31	0.34	0.08	0.22	0.36	0.43
Food services and accommodations	11	0.01	-0.38	0.16	-1.20	0.55	-0.02	-0.26
Other services	12	-0.38	0.44	-0.12	-0.32	0.45	0.16	0.13
Net foreign travel	13	0.46	-0.04	0.93	3.33	0.51	0.73	0.61
Private fixed investment	14	0.37	-1.51	-0.89	-1.28	0.41	-0.50	-1.74
Change in private inventories	15	-0.51	-10.43	17.39	2.98	-11.07	9.18	1.01
Net exports of goods and services	16	-0.06	16.72	-13.48	-10.35	10.30	-14.89	-9.90
Exports	17	-14.78	1.06	5.34	-34.39	-11.76	-55.41	-242.67
Goods	18	-14.33	1.06	6.38	-30.98	-11.12	-54.63	-242.05
Services	19	-0.45	0.00	-1.04	-3.41	-0.64	-0.78	-0.62
Imports	20	14.71	15.66	-18.82	24.04	22.07	40.52	232.77
Goods	21	14.26	16.08	-19.75	23.96	21.83	40.25	230.08
Services	22	0.46	-0.42	0.92	0.08	0.24	0.27	2.69
Government consumption expenditures and gross investment	23	1.33	2.13	0.17	1.16	0.68	-1.35	-2.37
Federal	24	0.02	0.05	0.10	0.33	0.60	-0.39	-0.15
Territorial	25	1.31	2.09	0.07	0.83	0.07	-0.96	-2.22

U.S. Virgin Islands

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

	Line	2005	2006	2007	2008	2009	2010	2011	2012
		[Percent]							
Gross domestic product	1	12.6	-1.9	2.3	-12.4	5.7	2.2	5.4	11.9
Personal consumption expenditures	2	3.8	2.6	5.5	5.7	-0.1	1.2	2.2	1.2
		[Index numbers, 2005=100]							
Gross domestic product	3	100.0	98.1	100.4	87.9	93.0	95.0	100.1	112.1
Personal consumption expenditures	4	100.0	102.6	108.2	114.4	114.3	115.7	118.2	119.7

Table 1.6. Gross Domestic Income

	Line	[Millions of dollars]							
		2005	2006	2007	2008	2009	2010	2011	2012
Gross domestic income	1	4,457	4,546	4,853	4,266	4,260	4,426	4,356	4,233
Compensation of employees	2	1,922	2,064	2,174	2,223	2,148	2,276	2,214	2,045
Taxes on production and imports less subsidies	3	149	156	167	160	123	154	156	170
Gross operating surplus	4	2,386	2,326	2,513	1,883	1,988	1,996	1,986	2,018

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

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

	Line	2006	2007	2008	2009	2010
		Percent change:				
Revised	1	4.0	4.3	0.3	-5.5	1.7
Previously published	2	4.0	4.3	-0.4	-5.9	2.9
Percentage points:						
Revision	3	0.0	0.0	0.7	0.4	-1.2

U.S. Virgin Islands

2. GDP by Industry

Table 2.1. Value Added by Industry

	Line	[Millions of dollars]						
		2005	2006	2007	2008	2009	2010	2011
Gross domestic product	1	4,457	4,546	4,853	4,266	4,260	4,426	4,356
Private industries	2	3,766	3,765	4,047	3,430	3,412	3,528	3,507
Goods-producing industries	3	1,467	1,429	1,468	986	1,030	1,041	938
Services-producing industries	4	2,299	2,336	2,579	2,444	2,382	2,487	2,569
Wholesale and retail trade	5	396	410	442	373	360	364	376
Accommodation and food services	6	330	336	412	420	382	411	419
Other services, except government	7	1,573	1,590	1,726	1,650	1,640	1,712	1,774
Government	8	691	781	806	837	849	897	849
Federal	9	115	122	126	132	138	148	145
Territorial	10	576	659	680	705	710	749	704

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

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

	Line	[Percent]						
		2005	2006	2007	2008	2009	2010	2011
Gross domestic product	1	100	100	100	100	100	100	100
Private industries	2	84	83	83	80	80	80	81
Goods-producing industries	3	33	31	30	23	24	24	22
Services-producing industries	4	52	51	53	57	56	56	59
Wholesale and retail trade	5	9	9	9	9	8	8	9
Accommodation and food services	6	7	7	8	10	9	9	10
Other services, except government	7	35	35	36	39	38	39	41
Government	8	16	17	17	20	20	20	19
Federal	9	3	3	3	3	3	3	3
Territorial	10	13	14	14	17	17	17	16

U.S. Virgin Islands

Table 2.3. Real Value Added by Industry

	Line	[Millions of chained (2005) dollars]						
		2005	2006	2007	2008	2009	2010	2011
Gross domestic product	1	4,457	4,635	4,836	4,851	4,583	4,660	4,351
Private industries	2	3,766	3,935	4,125	4,122	3,855	3,928	3,647
Goods-producing industries	3	1,467	1,704	1,687	1,920	1,748	1,729	1,262
Services-producing industries	4	2,299	2,253	2,443	2,291	2,168	2,237	2,282
Wholesale and retail trade	5	396	401	427	355	336	332	329
Accommodation and food services	6	330	326	384	390	333	353	352
Other services, except government	7	1,573	1,527	1,632	1,545	1,498	1,551	1,601
Government	8	691	700	718	728	720	722	692
Federal	9	115	115	113	115	121	123	116
Territorial	10	576	585	605	613	599	599	576

Table 2.4. Percent Changes in Real Value Added by Industry

	Line	[Percent]					
		2006	2007	2008	2009	2010	2011
Gross domestic product	1	4.0	4.3	0.3	-5.5	1.7	-6.6
Private industries	2	4.5	4.8	-0.1	-6.5	1.9	-7.1
Goods-producing industries	3	16.1	-1.0	13.8	-9.0	-1.1	-27.0
Services-producing industries	4	-2.0	8.4	-6.2	-5.4	3.2	2.0
Wholesale and retail trade	5	1.2	6.5	-16.7	-5.4	-1.3	-0.8
Accommodation and food services	6	-1.3	17.9	1.6	-14.7	6.0	-0.4
Other services, except government	7	-2.9	6.9	-5.4	-3.0	3.5	3.2
Government	8	1.2	2.6	1.4	-1.1	0.3	-4.2
Federal	9	-0.5	-1.8	2.1	5.0	1.8	-5.5
Territorial	10	1.6	3.5	1.2	-2.3	0.1	-3.9

U.S. Virgin Islands

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

	Line						
		2006	2007	2008	2009	2010	2011
Percent change:							
Gross domestic product	1	4.0	4.3	0.3	-5.5	1.7	-6.6
Percentage points:							
Private industries	2	3.72	4.00	-0.03	-5.23	1.51	-5.74
Goods-producing industries	3	4.79	-0.31	3.51	-2.19	-0.26	-6.84
Services-producing industries	4	-1.06	4.32	-3.54	-3.04	1.77	1.10
Wholesale and retail trade	5	0.11	0.58	-1.63	-0.46	-0.11	-0.07
Accommodation and food services	6	-0.10	1.34	0.14	-1.44	0.54	-0.03
Other services, except government	7	-1.07	2.40	-2.05	-1.13	1.34	1.20
Government	8	0.20	0.45	0.24	-0.22	0.07	-0.83
Federal	9	-0.01	-0.05	0.06	0.15	0.06	-0.18
Territorial	10	0.22	0.50	0.19	-0.37	0.01	-0.64

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]						
		2005	2006	2007	2008	2009	2010	2011
Total compensation	1	1,922	2,064	2,174	2,223	2,148	2,276	2,214
Private industries	2	1,270	1,321	1,415	1,428	1,331	1,404	1,386
Goods-producing industries	3	286	329	369	349	323	334	317
Services-producing industries	4	984	992	1,046	1,079	1,008	1,071	1,070
Wholesale and retail trade	5	189	191	201	203	194	193	201
Accommodation and food services	6	177	183	199	209	184	196	200
Other services, except government	7	617	618	646	667	630	682	669
Government	8	652	743	758	794	818	872	827
Federal	9	116	123	126	132	139	150	146
Territorial	10	536	621	632	662	678	722	681

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