Abstract

The regional GDP and the regional GDP per capita are key indicators that measure important disparities between the economic development of the regions of an economy. The regional GDP is equivalent to the national GDP. It can be measured at any regional levels, namely aimags/cities and soums/districts.

Mongolia estimate regional/aimag GDP in current prices. However, there is a need for us to estimate the regional/aimag in constant prices and soum/district GDP at current prices.

This paper focuses on the methodological issues on the estimation of the regional GDP. Whereas the estimation of regional GDP was based on enterprises previously (units engaged in production are recognized by the 2008 SNA as ‘enterprises’), the National Registration and Statistics Office (NRSO) plans to make the GDP estimates based on “a statistical unit” or establishment (the combination of location and kind of activity of an enterprise as ‘establishment’).

As to the regional estimates, the GDP production approach is used for non financial and household sectors while the GDP income approach is employed for public management /general government/ and NPISH sectors. For the financial sector, the national results are allocated by regions.

In allocating the GDP by regions, the psedo-bottom-up approach is mostly applied for the main economic sectors – non financial sector and household sector. For the other economic sectors (financial, /general government/ public management and NPISH sectors), the GDP is allocated based on key indicators - in other words, the top-down approach is employed.

From 2013 onwards, the NRSO compile the Supply and Use Table (SUT) on an annual basis. Based on the results of the annual SUT, the national and regional GDP estimates are revised. There is a gap between the results from SUT and the preliminary GDP estimates. This gap is allocated to the regions based on the value added of each sector. This estimation is made at the national level. To allocate the value added by the regions, different methods are applied for sectors (bottom-up, pseudo-bottom-up, and top-down methods).