

## 6. Regional Economic Accounts

The data here refers to the latest updating carried out by ISTAT (November 27, 2013) of the series of Regional economic accounts, completed up to 2011, both at current prices and in volume, revised in accordance with the new classification of commercial activity (ATECO 2007) and including estimates for 2012 of the principal macro-economic aggregates. The year of reference for the chain-linked series has been updated to 2005.

The principal aggregates estimated in the sphere of Regional and national accounting, are summarized in resource and investment accounts; in the income account this shows gross domestic product and import of goods and services and in the expenditure account final consumption outlay, gross investments and variations in stock. Highlighting the equilibrium between final supply and demand these aggregates sum up the present economic situation in Sicily.

More specifically, according to estimates provided by the National Statistical Institute, the gross domestic product in Sicily in 2012 amounted to a figure of 84,900 million Euros at current values, 5.4% of the value of the national GNP and 23.2% of the GNP of the Mezzogiorno (southern Italy). The rate of development in real terms (net of the inflation component) of the Regional economy shows a loss of 3.8% when compared to 2011, with a lesser overall decrease in the southern Regions (-0.5%) and a slight increase at the national level (+0.5%).

This data synthetically describes the scenario characterizing the Regional and national economy over the last few years; after the partial recovery in 2010 there was a progressive slump, which in 2011 spiraled into a new period of recession that continued into 2012. Downward-trends are also to be found with regard to investments (both with reference to 2010) as evidence of the profound crisis of confidence that has affected businesses, whose demands for investment were strongly conditioned by dreadful market prospects, a fall in demand and difficulties in obtaining credit. On the other hand, since 2008, final domestic consumption, which amounted to 94,400 million current Euros in 2012, has risen, on average, by 0.2% in real terms. The trends for investment, amounting to 16,000 million Euros (current values in 2012), are negative, with an average annual decrease of 1.9% (chain-linked values).

Taking each sector individually, the value added in agriculture evaluated at market prices, in 2012, amounted to 3,000 million Euros, representing 10.8% of the relative national aggregate. The trend for value added at chain-linked values seems to have been in continuous descent over the last five years (-1.4% the yearly average). However, in the period under examination, the most worrying situations are those in the industry sector. In financial terms, the value added for industry in the strict sense amounted to 6,400 million Euros whilst the building

sector reported a total of 3,700 million Euros (net of price variations); these sums represented a fall of 4.9% and 9.6% respectively over 2011. The tertiary sector in Sicily, with a value added of 60,800 million Euros, represents the leading sector in the Sicilian economy, accounting for 82.2% of all the value added produced in the Region, but here too there are clear signs of a slump. After a partial recovery in 2010 (+0.3% in real terms) following the decline in the two-year period 2008-2009 (-0.7%), the value added in this sector returned to a negative trend in 2012 (-1.6%).

The GDP per inhabitant is considered the indicator *par excellence* of unitary Regional productive capacity; in 2012 it reached a figure of about 16,826 Euros, with an unfavourable gap of -34.6% when compared to Italy as a whole (25,729 Euros). In comparison with the previous year, the per capita GDP at current prices remained almost the same (-5 Euros), whereas, compared to 2008, the year in which the crisis began, it was down by 3.1% . .

The organization of data at sub-Regional level refers to 2008, confirming the Province of Palermo at the head of the table for value added produced, with a sum of 19,532 million Euros (26% of the Regional value added), followed by Catania (16,111 million or 21%) and the 10,207 million Euros of Messina (13%). The Province of Enna registered the lowest figure, with an overall value added of 2,397 million Euros.

## Glossary

**Dependent employee income:** cost to employer of work (both manual and intellectual) carried out by his employees; the figure is made up of gross income and effective and/or notional social security contributions.

**Final consumption:** total value of goods and services used to satisfy human, individual and/or collective needs directly.

**Gross Domestic Product (GDP)** at market prices: is the result of production on the part of resident production units. It amounts to the total production of the economy's goods and services, minus intermediate consumption, increased by the addition of VAT and indirect taxes on imports. It is also equal to the sum of value added at market prices of the various sectors of economic activity, increased by the addition of VAT and indirect taxes on imports, disregarding indirectly-measured services of financial inter-mediation (SIFIM). The latter represents the production figure arising from financial inter-mediation provided by credit institutions, which is not detracted at the level of single sectors of production.

**Gross fixed investments:** include purchase of fixed capital by resident producers, to which is added the increase in value of the goods (material and non-material) produced and destined to be used in production processes for a period of over one year. Gross investments are made up of the aggregate of gross fixed investments, variations in stock and purchase of objects of value.

**Net imports:** difference between imports and exports of goods and services.

**Stock variation:** difference between the value on entering or leaving the warehouse. It includes: raw materials, intermediate products, half-finished products and finished products.

**Value added:** aggregate that allows one to appreciate the growth of the economic system in terms of new goods and services placed at the disposal of the community for final consumption. The figure is the difference between the production-value of the goods and services emerging from the individual sectors of production and the value of the intermediate goods and services consumed (raw materials and services).

**Value added at base prices:** balance between production, calculated net of tax on products, and inclusive of contributions on products (base prices), and intermediate consumption.

**Value added at market prices:** value added at basic prices plus tax on products, excluding VAT, and net of contributions on products.

**Variations in stock:** the difference between the value of incoming and outgoing warehouse stock. These include: raw materials, intermediate products, products being manufactured and finished products.

**Work-unit:** represents the quantity of work carried out in one year by a full-time worker, or the quantity of equivalent work carried out by part-time workers or by workers carrying out two jobs. The units of work are employed as units of measure for the work carried out in producing the goods and services that are part of the estimate of the GDP in a given period.

### ***Further reading***

## **Publications**

Italian Statistical Yearbook– 2013 – ISTAT

National accounting - National Economic Accounts – years 1998-2009 –  
ISTAT ed.2010

Revised National Economic Accounts – 2005 –ISTAT – ed.2008

Value added at base prices for agriculture per Region – 2003-2008 – ISTAT  
ed.2009

## **Internet**

[www.istat.it](http://www.istat.it)

datawarehouse I.Stat - National Accounting section

Subject – National accounts

[www.bancaditalia.it](http://www.bancaditalia.it)

Notes on the trends of the economy in Sicily

[www.starnet.unioncamere.it](http://www.starnet.unioncamere.it)

Dossier on Economics – Economic scenarios