

We can also look at the way the GDP is broken down according to expenditures within the country. We see that the country's economy is consumption-driven, with much less investments or capital formation. The GDP figures also show two other problems: high import dependence and capital flight (so-called statistical discrepancy). All these problems are inter-related. The country does not grow because capital is not invested in productive ventures; instead, it is used for speculation or is sent out of the country. The GNP figure considers still another figure, that of "net factor income from abroad", i.e. money coming in from overseas. Much of this is generated by overseas workers' remittances but is easily wiped out by money we have to send out, as when we pay interest on our foreign debts. Thus, rather than contributing to a higher GNP, the "net factor income from abroad" actually yields negatives figures.

GROSS NATIONAL PRODUCT ACCORDING TO EXPENDITURES

	1980	1985	1990
Personal Consumption	64.05%	75.09%	76.07%
Government Spending	8.96%	9.36%	9.41%
Gross Domestic Capital Formation	28.76%	12.66%	16.52%
Exports	19.17%	22.02%	26.38%
Less: Imports	-20.94%	-15.92%	-33.96%
Statistical Discrepancy	0.03%	- 0.88%	5.34%
GROSS DOMESTIC PRODUCT	100.03%	102.32%	99.77%
Net factor income from abroad	-0.03%	-2.32%	0.23%
GROSS NATIONAL PRODUCT	100.00%	100.00%	100.00%

Source: NSCB