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## Subnational accounts: selected indicators for Latin America and the Caribbean

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Subnational planning and development decision-making rely in large measure on access to relevant, detailed information. Optimizing the allocation of economic resources requires access to as much data as possible, disaggregated by territory.

Subnational accounts are a vital tool for understanding the structure and evolution of the different administrative subdivisions within a given country, as they provide the data needed, disaggregated by geographic or administrative area. They play a fundamental role in national development planning and decision-making because they offer a more detailed picture of economic activities and their contribution at the domestic regional level, as well as relationships with other subnational units.

Subnational accounts are prepared using a similar methodology to national accounts, but oriented towards identifying more specifically how important individual economic activities are at the subnational level. Access to disaggregated, timely data is essential in this regard.

The Statistics Division of the Economic Commission for Latin America and the Caribbean (ECLAC) has conducted an exhaustive review of data published by the national statistical offices of 10 countries of the region region.<sup>1</sup> The review focused on gross domestic product (GDP) and its disaggregation, by production focus and

<sup>1</sup> The selected countries included in the review are: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Peru, the Plurinational State of Bolivia, and Uruguay.

territory, for the most recent reference year for which data are available. The information has been systematized and harmonized for presentation in both national currency and current United States dollars, in accordance with the standard methodology for national accounts disseminated by ECLAC.

The main purpose of this issue is to describe the current status of subnational accounts in Latin America and the Caribbean, to detail the methodological considerations underpinning the estimates and to present, on the basis of available data, indicators that are published and disseminated through CEPALSTAT. To illustrate the possibilities that subnational accounts offer and the inferences that can be made from such accounts, three countries of the region were selected for practical exercises: Colombia, Mexico and the Plurinational State of Bolivia. These countries offer a small sample of how subnational accounts can add to economic analysis and offer a more detailed picture economic dynamics at the subnational level in Latin America.

This statistical information will provide regional decision makers and planners with reliable and up-to-date data to support their planning and implementation of economic measures and will enable researchers to conduct more granular analyses.

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## 1. Methodological considerations

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Subnational accounts are an important tool for understanding the structure and evolution of distinct areas within countries. They are essential for national development planning and decision-making.

Subnational accounts represent a significant challenge for the statistical offices and central banks of Latin America that are tasked with their compilation. These accounts are often published sporadically, owing mainly to the limited amount of detailed information needed to produce the indicators.

The System of National Accounts (SNA) 2008 (United Nations, 2010), the *Manual on Regional Accounts Methods* (European Union, 2013) and *Regional Accounts Methods* (European Union, 1995) provide the conceptual framework for the preparation of subnational accounts.

In general, subnational accounts can be understood as an extension of national accounts, offering information on a country's subnational economic structure and the transactions of each subnational administrative unit. In other words, subnational accounts are produced by applying the national account framework to subnational administrative units. This focus facilitates the subnational disaggregation of key indicators, such as the value added or GDP of a given subnational unit.

The most common methodology for estimating these indicators is the top-down method (Díaz, Dorin and Collinao, 2022), which starts with the national indicators and generates structures for their disaggregation by geographical or administrative subdivision. Brazil, however, has developed mixed methods that involve using direct estimates for subnational units and reconciling these with other subnational units to obtain the respective national values.

To date, 10 Latin American countries have published subnational production accounts on the websites of their respective economic statistical institutions,<sup>2</sup> and Brazil has also made progress on income accounts. Most of the countries publish information annually and, in general, maintain series from their current baseline year to their most recent estimate. In addition, six countries present estimates in constant prices, including three on a chain-linked basis,<sup>3</sup> in accordance with the SNA 2008 recommendations.

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<sup>2</sup> Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Peru, Plurinational State of Bolivia and Uruguay.

<sup>3</sup> The six countries are Chile, Colombia, Mexico, Panama, Peru and Plurinational State of Bolivia. Chile, Colombia and Panama use the chain-linked method.

Of the countries that prepare these accounts, seven (Argentina, Brazil, Colombia, Ecuador, Mexico, Panama and Peru) produce subnational estimates of value added but not of GDP, as doing so would require the distribution of tax and/or subsidy totals at the subnational level.

Lastly, as countries update their reference years and adopt the new SNA guidelines, these changes are applied to their subnational accounts as well. For example, Colombia has updated its indicators with the recent reference year change to 2015, while in the Plurinational State of Bolivia, the baseline year remains fixed at a distant 1990, which is nevertheless consistent with its national baseline.

## 2. Presentation of data

With a view to presenting duly standardized indicators, a common economic activity aggregation process was carried out for the subnational accounts. This process involved reviewing the format in which each of the region's countries presents its results in the context of the International Standard Industrial Classification of All Economic Activities (ISIC), Revision 4.

The countries of the region present their results with varying levels of disaggregation and in accordance with different ISIC revisions, ranging from the second to the fourth and most recent revision, and Mexico uses the North American Industry Classification System. This variation in levels of disaggregation and systems of classification poses a significant challenge for the comparison of economic activity across the Latin American region.

Table 1 shows the current state of subnational account compilation for each country, including the disaggregation of GDP.

» **Table 1. Latin America: state of subnational accounts compilation**

ISIC section	Description	ARG	BOL	BRA	CHL	COL	ECU	MEX	PAN	PER	URY
		2004	2019	2018	2013	2020	2019	2018	2018	2020	2012
A	Agriculture, forestry and fishing	X	X	X	X	X	X	X	X	X	
B	Mining and quarrying	X	X	X	X	X	X	X	X	X	
A, B	Agriculture, forestry and fishing; mining and quarrying										X
C	Manufacturing	X	X	X	X	X	X	X	X	X	
D, E	Electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities	X	X	X	X	X	X	X	X	X	
D	Electricity, gas, steam and air conditioning supply	X									
E	Water supply, sewerage, waste management and remediation activities	X									
F	Construction	X	X	X	X	X	X	X	X	X	
C-F	Manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities; construction										X
G, I	Wholesale and retail trade, repair of motor vehicles and motorcycles; accommodation and food service activities				X						
H, J	Transportation and storage; information and communication				X				X		
G	Wholesale and retail trade, repair of motor vehicles and motorcycles	X	X	X			X	X	X	X	
H	Transportation and storage	X	X	X			X	X		X	
I	Accommodation and food service activities	X	X	X			X	X	X	X	
J	Information and communication	X	X	X		X	X	X		X	

ISIC section	Description	ARG	BOL	BRA	CHL	COL	ECU	MEX	PAN	PER	URY
		2004	2019	2018	2013	2020	2019	2018	2018	2020	2012
K-T, excl. O	See description of each sector below									X	
K, M, N	Financial and insurance activities; professional, scientific and technical activities; administrative and support service activities				X						
L-N	Real estate activities; professional, scientific and technical activities; administrative and support service activities	X							X		
M, N	Professional, scientific and technical activities; administrative and support service activities	X	X	X		X	X				
O-Q	Public administration and defence, and compulsory social security; education; human health and social work activities					X					X
P, Q	Education; human health and social work activities			X							X
P-T	Education; human health and social work activities; arts, entertainment and recreation; other service activities; activities of households as employers, undifferentiated goods- and services-producing activities of households for own use		X		X						
R, S	Arts, entertainment and recreation; other service activities			X			X		X		
R-T	Arts, entertainment and recreation; other service activities; activities of households as employers, undifferentiated goods- and services-producing activities of households for own use					X		X			X
K	Financial and insurance activities	X	X	X		X	X	X	X		
L	Real estate activities	X	X	X	X	X	X	X			
M	Professional, scientific and technical activities							X			
N	Administrative and support service activities							X			
O	Public administration and defence, and compulsory social security	X	X	X	X		X	X	X	X	
P	Education	X					X	X	X		
Q	Human health and social work activities	X					X	X	X		
R	Arts, entertainment and recreation	X						X			
S	Other service activities	X						X			
T	Activities of households as employers, undifferentiated goods- and services-producing activities of households for own use	X		X			X		X		

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the countries.

In general, the subnational accounts that the countries have published accommodate disaggregation for ISIC sections A-F, namely from agriculture, forestry and fishing to construction (except for Uruguay, which uses the classifications "primary sector" and "secondary sector"). However, disparities arise from differences in the grouping of service activities.

To address these disparities and produce internationally comparable indicators, economic activities are grouped into nine ISIC aggregations, set out below.

- » Agriculture, livestock, forestry and fishing
- » Mining
- » Manufacturing
- » Electricity, water and gas supply, and wastewater management (basic services)
- » Construction

- » Trade, and accommodation and food service activities
- » Transportation and storage, and information and communication
- » Business, real estate and financial services
- » Social, personal, community and government services

The data valuation methodology is the same as is used to aggregate national account series in United States dollars. The data are converted using the exchange rate series *rf*, which represents the three-month average of the national currency exchange rate against the dollar during the reference period. This exchange rate series is based on data published by the International Monetary Fund (IMF). To convert series to dollars, the three-month weighted average is applied to quarterly GDP, ensuring the full comparability of national annual and quarterly accounts and subnational accounts in each country.

The data processing yields the following indicators:

- » Value added at current prices in national currency and United States dollars, disaggregated subnationally and by production focus.
- » Shares of value added in national currency and United States dollars, by subnational unit and production focus.
- » The per capita values for the above indicators, the need for which became apparent upon analysing the data. These values were obtained using the information published by the Latin American and Caribbean Demographic Centre (CELADE)–Population Division of ECLAC, which provides population estimates, disaggregated subnationally, for the aforementioned 10 countries, from 2000 to 2021. That information was used to calculate subnational per capita GDP by origin.

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### 3. Per capita GDP distribution

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Map 1 provides a visual representation of the subnational distribution of per capita GDP, or the per capita GDP of each subnational unit as a share of national per capita GDP. The colour of each subnational region corresponds to its relative value, with darker shades representing higher subnational per capita GDP values relative to national per capita GDP. Not all countries in the region are represented on the map, owing to a lack of subnational data. Subnational units that lack sufficient data are shown in white.

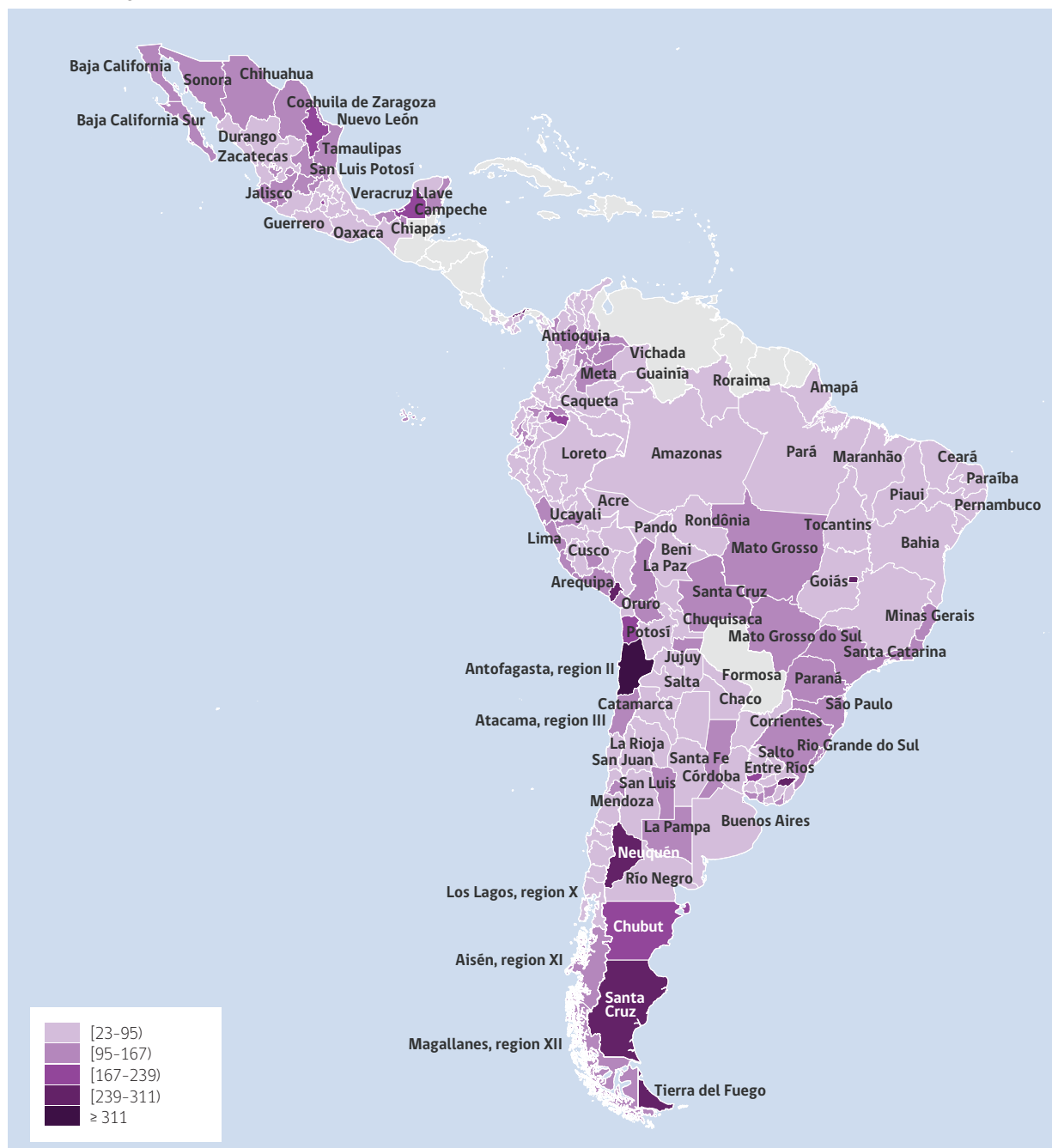
The data used to generate this map refer to the latest year for which data are available and are drawn from the most recently updated official sources; as such, data may refer to different years, depending on available information. For example, data for one country may refer to 2022, while data for another country may refer to 2004. This variation in reference years highlights the diversity of data sources and availability in the region.

The areas shown in darker shades tend to have higher levels of economic activity and contribute substantively to national economic development, resulting in per capita GDP values well above the national average. For example, Antofagasta, Chile, which has a relative value of 382.8, accounted for a large proportion of mining and quarrying activities in 2022 (63% of the total) but just 3.5% of the national population.

Meanwhile, the subnational areas shown in lighter shades have a per capita GDP below the national average, owing to their lower shares of national GDP, a sign of economic challenges and development opportunities.

» **Map 1. Latin America and the Caribbean (selected countries): per capita subnational gross domestic product relative to national gross domestic product, last year available<sup>a</sup>**

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>.

<sup>a</sup> The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

Notes: For optimal data visualization, the highest value has been imputed for the Treinta y Tres area of Uruguay relative to the country's other subnational units. The real value of current GDP is US\$ 1,309.83. Subnational production data are not available for the countries shown in grey. The countries shown here, together with their reference years, are: Argentina, 2004; Brazil, 2020; Chile, 2022; Colombia, 2022; Ecuador, 2020; Mexico, 2021; Panama, 2021; Peru, 2021; Plurinational State of Bolivia, 2021; and Uruguay, 2008.

Brazil, for example, shows significant subnational variation in per capita GDP. The state of São Paulo is notable for its high relative value of 143, indicating a per capita GDP well above the national figure. This is suggestive of the state's economic strength, attributable mainly to market services (excluding public administration, education, and health and social work activities), which in 2020 accounted for 57% of subnational GDP and 38.4% of the sector's national production. In contrast, the state of Maranhão had a relative value of 41.3, below the national per capita GDP.

Mexico also shows marked subnational disparities in per capita GDP. For example, the state of Nuevo León had a relative value of 189.2 in 2021, indicating much higher per capita GDP than at the national level. The state's manufacturing sector accounted for 32% of its GDP and 13% of manufacturing production nationwide (more than any other state in Mexico). Meanwhile, Chiapas, with a relative value of 34.8, has an economy that relies primarily on wholesale and retail trade and the repair of goods (25% of the subnational total) and accounts for just 2% of the sector's national total.

In Uruguay in 2008, the relative value for the Treinta y Tres area was a stunning 1,309.8, indicating a subnational per capita GDP well in excess of the national figure. The area's economic activity is most heavily concentrated in the primary sector (36% of its economy), accounting for 5% of the national total. That relatively modest share is offset by a subnational population accounting for just 0.1% of the national total, which explains the high relative value. Artigas, comparatively, is situated below the national average, with a relative value of 66.4. Like Treinta y Tres, Artigas has a high concentration of its economic activity in the primary sector (31% of its economy), also accounting for 5% of the national total, but unlike Treinta y Tres, it has a larger share of the population (2.3% of the national total).

Thus, the heat map provides a visual snapshot of subnational economic concentration in Latin America and the Caribbean. This map can be analysed to identify the subnational regions with the highest levels of economic activity and those requiring special attention in the form of development policy and economic stimulus measures.

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## 4. Analysis of subnational distribution

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This section offers a preliminary analysis of the subnational distribution of economic sectors in the Plurinational State of Bolivia, Colombia and Mexico, in order to provide an initial overview of this distribution and identify similarities and differences. This analysis is intended as an introduction; a full understanding of economic trends in this regard would require a more detailed multifactor analysis. However, this initial overview will serve to identify general trends and raise questions to guide future research and policy decisions.

The analysis begins with the Plurinational State of Bolivia. Located in the heart of South America, the country is known for its geographical and cultural diversity. Like other countries in the region, the Plurinational State of Bolivia shows highly varied subnational economic distribution. For the purpose of this exercise, the national composition of economic sectors for 2021 will be analysed, while the agriculture sector is used as an illustrative example, looking at its relative importance and distribution across the country's administrative subdivisions, known as departments. This initial analysis provides a better understanding of the economic diversity of the Plurinational State of Bolivia and lays the groundwork for the analysis of other countries in the region.

Data for the Plurinational State of Bolivia in 2021 (see figure 1) show that the sector comprising public administration and defence, compulsory social security, education, health and social services, and other social, personal and community services is the largest, accounting for 22% of national GDP. It is followed by the agriculture, livestock, hunting, forestry and fishing sector, which accounts for 13% of national GDP. These sectors are fundamental to the country's economy.

## » Figure 1. Plurinational State of Bolivia: economic sectors' share of value added in gross domestic product (GDP), 2021

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>.

As mentioned, this analysis focuses on the example of the agriculture sector (see figure 2). The subnational distribution of the agriculture sector shows Santa Cruz with the largest share of GDP at 45% of total production, followed by La Paz and Cochabamba, with 16% and 13%, respectively. At the other end of the spectrum, Pando and Oruro account for just 2% each. This disparity shows the specialization that subnational regions have developed in certain economic sectors, and the potential opportunities to strengthen production by implementing public policy measures and leveraging local resources.

With regard to Colombia, the analysis is focused on the evolution of the manufacturing sector between 2005 and 2022 (see figure 3). During this period, the sector's contribution to national GDP fell significantly, from 16.0% to 11.5%.

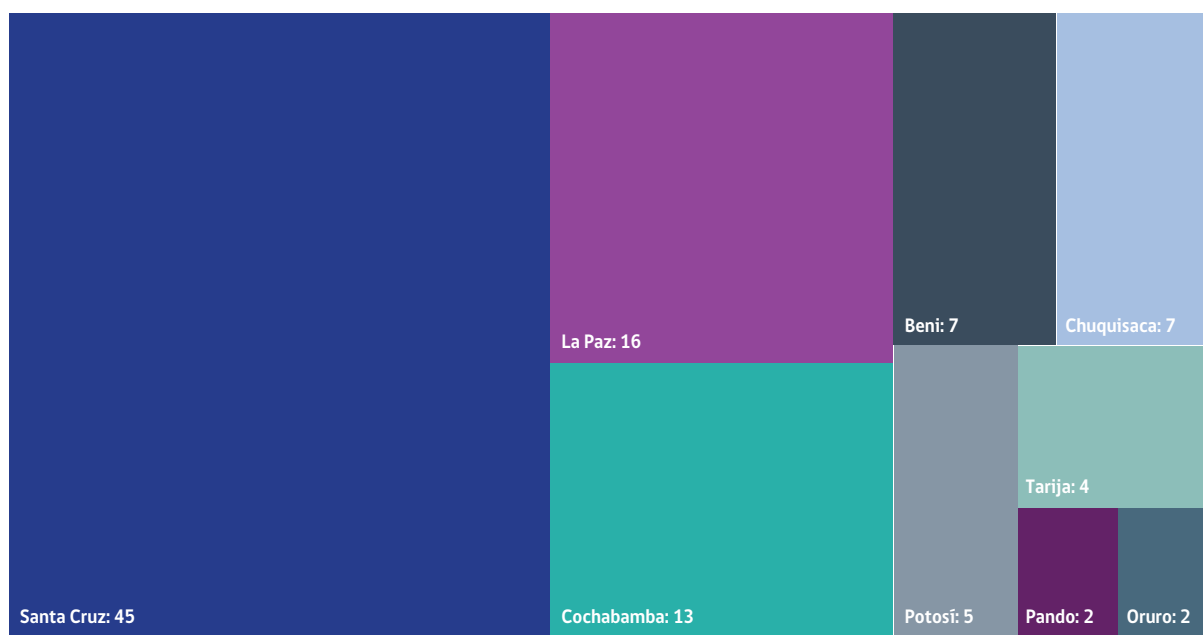
The analysis of the subnational department shares of national GDP shows changes in composition and an overall decrease in the total contribution of the top 10 departments, from 89.6% to 88.6%. This change can be interpreted in several ways.

The reduced contribution of the top departments could be a reflection of economic diversification, wherein more regions are participating in production and contributing to national GDP. This is a possible sign of more even economic development, with less concentration of wealth and economic activity in a handful of regions. Alternatively, it could be an indicator of an economic slowdown in the country's top contributors, which could be caused by several factors, such as market saturation, lack of innovation, or region-specific structural problems.

A full understanding of the causes and consequences of the change in departmental shares of GDP requires a deeper analysis to take into account both additional economic data and the political and social factors present in each region.

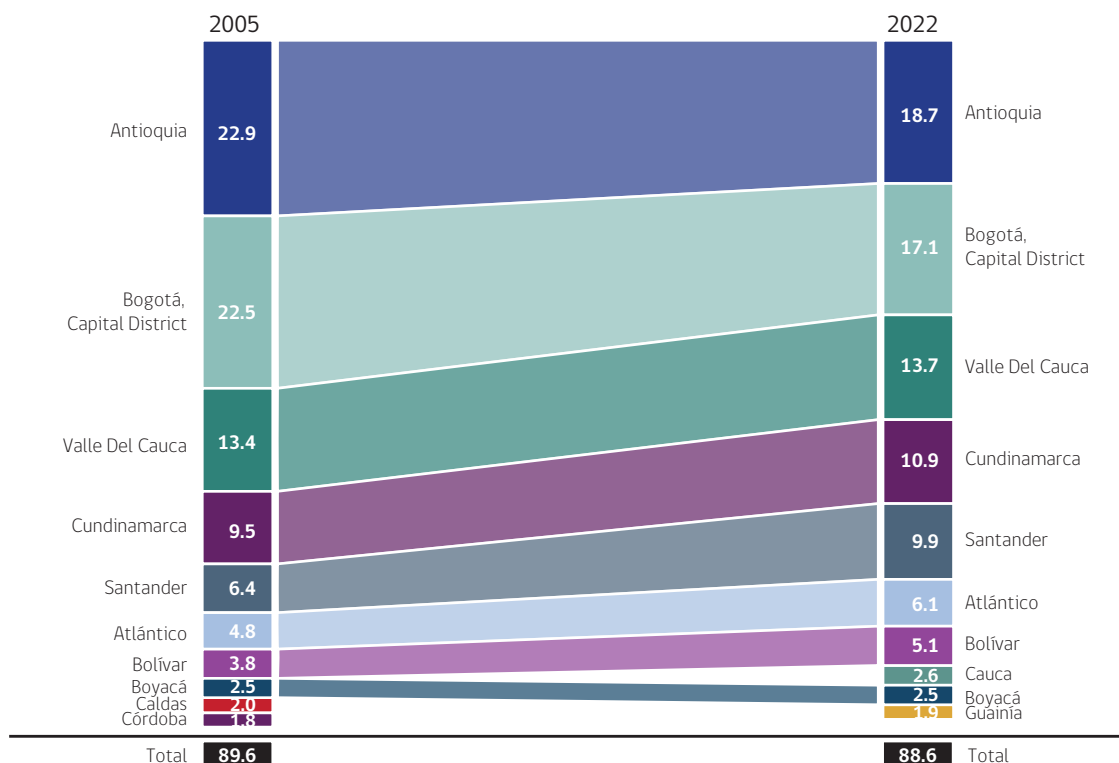
Figure 3 shows significant changes in the contribution of certain departments. For example, increases in the relative shares of Santander, Cundinamarca, Bolívar and Atlántico highlight major changes in regional trends. Specifically, between 2005 and 2022, relative shares increased from 6.4% to 9.9% in Santander, 9.5% to 10.9% in Cundinamarca; 4.8% to 6.1% in Atlántico and 3.8% to 5.1% in Bolívar.

» **Figure 2. Plurinational State of Bolivia: gross domestic product (GDP) of agriculture, livestock, hunting, forestry and fishing economic activity sector, by department, 2021**  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>.

» **Figure 3. Colombia: share of the 10 leading departments in gross domestic product (GDP) of the manufacturing sector, 2005 and 2022**  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>.

Meanwhile, Antioquia's and Bogotá's shares of national GDP fell considerably during the same period, from 22.9% to 18.7% and from 22.5% to 17.1%, respectively. The share in Valle del Cauca held fairly steady, edging up from 13.4% to 13.7%.

Figure 3 also shows that some departments entered the top 10 while others dropped out. Cauca and Guainía, which were not present in the group in 2005, appeared in the top 10 in 2022, with respective shares of national GDP at 2.6% and 1.9%. Boyacá's share remained stable at 2.5%. Meanwhile, Caldas and Córdoba dropped out of the top 10 in 2022, indicating a possible decrease relative to their 2005 shares (2.0% and 1.8%, respectively).

These changes underscore the need for a more detailed analysis to understand underlying causes and the impact on the Colombian economy. There is a critical need for strategies to revitalize the manufacturing industry and more equitably redistribute production among the subnational regions. This could include regional development policies, investments in infrastructure and programmes to support less developed regions by fostering innovation and modernizing existing industries, as well as capacity-building and training programmes to improve job skills in all regions.

With regard to Mexico, the analysis is focused on the manufacturing sector's share of the GDP of 10 subnational regions, known as federal entities, and shows the sector's economic importance (see figure 4). Special emphasis is then placed on the federal entity of San Luis Potosí, where the economy has undergone considerable structural changes in recent years. To better understand these changes, two key aspects are examined: the percentage share of economic sectors in San Luis Potosí's total GDP; and the composition of its manufacturing sector, by activity, expressed as percentage shares of the sector's total subnational GDP, for 2015 and 2021.

Coahuila de Zaragoza and Baja California maintained high participation in manufacturing, with Coahuila slightly increasing from 44.2% in 2015 to 45.5% in 2021, and Baja California rising from 34.1% to 36.0%. On the other hand, San Luis Potosí showed a notable increase in its participation, going from 28.5% to 35.3%.

Aguascalientes also experienced an increase, climbing from 31.9% in 2015 to 34.2% in 2021. Chihuahua, though with a small increase, rose from 32.8% to 33.4%. Querétaro showed a significant improvement, increasing from 32.0% to 33.3%. Nuevo León also increased its participation from 28.0% to 32.4%.

On the other hand, there were some displacements regarding other entities even though there were slight increases, such as Guanajuato, which went from 30.8% to 31.7%. Tamaulipas increased from 28.9% to 31.4%. However, Sonora, which had a participation rate of 26.4% in 2015, did not appear among the top entities in 2021, being replaced by Tlaxcala, which reached 28.6%.

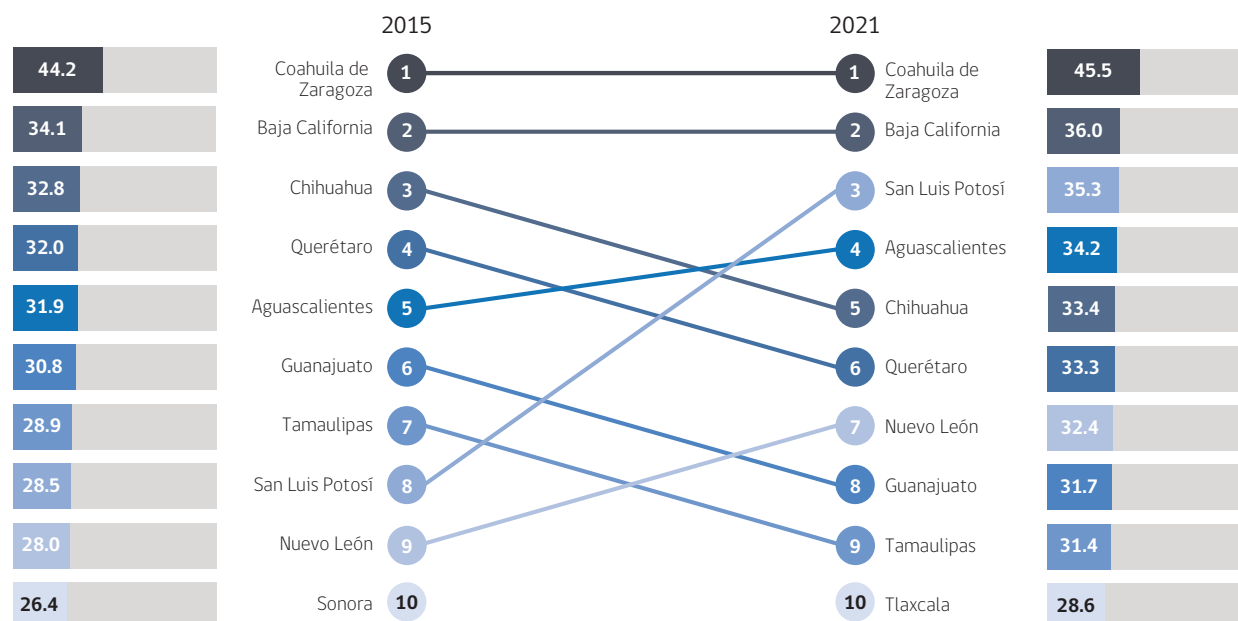
These changes reflect a complex dynamic in the Mexican manufacturing sector, with some federal entities consolidating their position and others emerging as new important players. The transformation in San Luis Potosí is particularly noteworthy and suggests a significant structural shift towards greater reliance on manufacturing, especially in key sectors such as machinery and equipment manufacturing.

The distribution of San Luis Potosí's GDP by economic sector for the years 2015 and 2021 (see table 2) shows structural economic changes.

In 2015, manufacturing industries accounted for 28.5% of total GDP in San Luis Potosí. That figure increased significantly over the six years, to 35.3% by 2021. This increase of 6.8 percentage points in the manufacturing sector is the most significant, followed by the agriculture, livestock, forestry and fishing sector, whose share rose from 3.7% in 2015 to 4.6% in 2021. Meanwhile, the construction sector decreased its share of GDP, from 7.1% in 2015 to 4.6% in 2021, and the share of real estate activities fell by 1.6 percentage points during the same period.

» **Figure 4. Mexico: 10 federal entities with the highest percentage share of the manufacturing sector in gross domestic product (GDP), 2015 and 2021**

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>.

» **Table 2. San Luis Potosí: economic sectors' share of value added in gross domestic product (GDP), 2015 and 2021**

(Percentages)

Economic sector	2015	2021
Manufacturing	28.5	35.3
Wholesale and retail trade, and repair of motor vehicles and motorcycles	15.0	14.6
Real estate activities	8.4	6.8
Construction	7.1	4.6
Transportation and storage	6.6	6.0
Education	4.5	3.6
Public administration and defence, and compulsory social security	4.2	3.5
Agriculture, forestry and fishing	3.7	4.6
Electricity, gas, steam and air conditioning supply	2.9	2.8
Administrative and support service activities	2.5	1.5
Other service activities	2.0	1.7
Accommodation and food service activities	2.0	1.2
Human health and social work activities	2.0	2.1
Mining and quarrying	1.9	2.6
Financial and insurance activities	1.7	1.8
Professional, scientific and technical activities	1.1	1.2
Information and communication	0.7	0.5
Arts, entertainment and recreation	0.2	0.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>.

Table 3 shows the restructuring of the manufacturing sector in San Luis Potosí between 2015 and 2021, when it increased its share of the total GDP of San Luis Potosí by 6.8 percentage points. This growth is attributable mainly to the increased share of the manufacture of machinery and equipment not elsewhere classified, from 49.2% to 52.7%. A lesser increase was observed in the share of the manufacture of basic metals and fabricated metal products, except machinery and equipment. Meanwhile, the manufacture of food products and the manufacture of non-metallic mineral products decreased their shares in total sector GDP, by 3.5 percentage points and 2.9 percentage points, respectively. The overall growth could be a reflection of the growing importance of manufacturing in the regional economy. The trend could also be linked to the increased manufacture of machinery and equipment essential to many industries, including the automobile industry, which is one of the most important economic pillars in the federal entity.

It must be noted that the observation of a selection of data, such as the composition of manufacturing activities, though valuable, does not offer a complete picture of the narrative behind the economic changes of a given region. These data, while fundamental, may be interpreted erroneously if their full context is not considered. Therefore, it is essential to include more information and to analyse it from a variety of perspectives to more accurately explain the economic forces at play. The economy is a complex and dynamic system, and factors such as the pandemic can impact it in multifaceted and cross-sectoral ways. It is necessary to look beyond the numbers to arrive at a more precise understanding of economic changes and make informed decisions accordingly. Subnational accounts—a product of the hard work of the statistical offices and/or central banks tasked with their preparation—have added a valuable dimension to economic analysis, to the benefit of decision makers and researchers alike. The availability of data, generally, or production data, specifically, makes it possible to identify the geographical areas that play an important role in the national economy as drivers of production and jobs. In addition, it enables a detailed analysis of the economic structure of a given jurisdiction.

» **Table 3. San Luis Potosí: share of manufacturing industries economic activity sector in gross domestic product (GDP), and share of the categories in that sector, 2015 and 2021**

(Percentages)

<b>Economic sector/Divisions</b>	<b>2015</b>	<b>2021</b>
<b>Manufacturing, total</b>	<b>28.5</b>	<b>35.3</b>
Machinery and equipment n.e.c.	49.2	52.7
Food products	16.3	14.6
Basic metals and fabricated metal products, except machinery and equipment	11.0	13.9
Manufacture of other non-metallic mineral products	8.4	6.1
Petroleum, chemical, pharmaceutical, rubber and plastics products	7.4	5.9
Paper and paper products, printing and reproduction of recorded media	2.2	2.6
Beverages	1.5	1.1
Textiles	1.3	0.9
Other manufacturing	1.1	0.8
Wearing apparel	0.8	0.5
Furniture	0.5	0.4
Wood and products of wood and cork, except furniture, and articles of straw and plaiting materials	0.3	0.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of CEPALSTAT [online] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=en>.

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## 5. Conclusions

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1. Subnational accounts play a crucial role in subnational planning and material decision-making, supporting the optimization of resource management. Currently, Latin America and the Caribbean has subnational GDP data for 10 countries: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Peru, Plurinational State of Bolivia and Uruguay. CEPALSTAT recently published these data for the latest reference years for which data are available for each country.
2. The countries adhere strictly to the methodological guidelines set forth in international manuals, such as SNA 2008 (United Nations, 2010), the Manual on Regional Accounts Methods (European Union, 2013) and Regional Accounts Methods (European Union, 1995). Most of the countries produce estimates using the top-down approach, although Brazil has developed methods that involve using direct estimates for subnational units and reconciliation with other subnational units to obtain the respective national values.
3. With a view to presenting subnational account series that are comparable over time and across countries, the ECLAC Statistics Division standardizes the series published by each country that produces subnational data. This involves harmonizing economic activities, in line with ISIC, Revision 4, and converting series to the United States dollar using the exchange rate provided by IMF.
4. The availability of detailed information enables a structural analysis of each geographical area and the identification of those areas that have the greatest impact on the national economy. Where available, subnational GDP data enable an even more thorough analysis to underpin detailed examination of subregional economic structures.
5. Specific examples from the region demonstrate the importance of subnational accounts. The Antofagasta region in northern Chile has a particularly high per capita GDP, owing in large part to the mining and quarrying activity there. In the Plurinational State of Bolivia, agriculture, livestock, hunting, forestry and fishing is the second largest sector at the national level, and Santa Cruz is the subnational leader of the sector in terms of value added. In Mexico, San Luis Potosí has undergone an economic restructuring, with a significant increase in the manufacturing sector's share of subnational GDP driven by an increase in the manufacture of machinery and equipment not elsewhere classified. In Uruguay, the Treinta y Tres region has the highest per capita GDP relative to national per capita GDP (relative value of 1,309.8), owing mainly to livestock activities (36% of its economy) and a small population (0.1% of the national total).
6. The availability of subnational accounts for certain periods or years makes it possible to identify significant changes in the subnational composition of economic activity. For example, in the Plurinational State of Bolivia, subnational accounts have increased the understanding of the relative importance of each productive sector in the economy and, in particular, the influence of various subregions on a given sector, such as agriculture, livestock, hunting, forestry and fishing. In Colombia, the manufacturing sector's share of GDP has increased in some subregions or departments and decreased in others, highlighting the relevance of these accounts for more detailed economic analysis at the subnational level.
7. Subnational accounts are the product of a valiant effort on the part of statistical offices and/or central banks tasked with their preparation. They have enriched economic analysis to the benefit of decision makers and researchers alike. Thus, they represent a critical asset for the countries of Latin America and the Caribbean and the region as a whole.

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