

GVA - Manufacturing (SIC3)

The concept of Gross Geographic Value Added (GVA) – is used as a basis for making estimates of regional economic activity – is broadly similar to what is more generally known as Gross Geographic Product (GGP). In essence:

GVA (factor cost) = Compensation of employees + Gross Operating Surplus

Description

Manufacturing is defined as the physical or chemical transformation of materials or compounds into new products, whether the work is performed by power-driven machines or by hand, whether it is done in a factory or in the worker's home and whether the products are sold wholesale or retail. The assembly of products from component parts is considered to be Manufacturing, except in cases where the activity is appropriately classified under Construction.