

Session 3 Experience with GO and IC Matrices for SUTs

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Two Uses of SUT

- To Construct an Input-Output Table
 - Imports and import duties classified by CPC and ISIC
 - Same number of rows and columns
- To Balance Production and Final Expenditures
 - Imports and import duties in a column not a matrix
 - Different numbers of rows and columns
 - Valuation rules easier

Valuation

- In theory,
 - GO at Basic Prices
 - Taxes (less subsidies) on products shown separately
- In practice,
 - we want **total supply at market prices** (or “purchasers values”)
 - If you can’t show taxes (less subsidies) separately, you should still be able to calculate **total supply at market prices**

Classifications

- Not essential to use CPC and ISIC. You can use your own national classification
- More products than industries – the SUT does not have to be square
- Recommended minimum:
 - 50 products
 - 20 industries
- For the 2011 ICP, there may be 120 BHs

FISIM

- For most countries FISIM is very small
- Minimum requirement is to distinguish between FISIM for industries and FISIM for households
- Not necessary to use the “reference rate”
- A practical alternative is to use the shares of bank deposits or the shares of bank deposits plus bank loans

Social transfers and Subsidies

- Subsidies are only paid to producers, e.g.
 - If governments sell fertilizer to farmers at low prices, that is a subsidy
- Social transfers are made to households
 - If governments sell electricity to households at low prices that is a social transfer
 - For example, government buys electricity for 10 and sells it for 6 to households
 - In household expenditure **6**
 - In government individual expenditure $10 - 6 = 4$

Miscellaneous Inputs

- From surveys there are often some intermediate inputs that respondents cannot allocate by type
- Alternatives:
 - Allocate them *pro rata* across all reported inputs
 - Allocate them to the largest reported input
 - The second may often be “safer” (less impact on small inputs)

Borrowing from other countries

- Justified
 - If no other data sources are available
 - If the neighboring country is similar
- But other data sources should be tried first
 - Surveys of a few domestic producers
 - Expert opinion

Issues for the future

- Trade and transport margins
 - No margins on services
 - No margins on own-account production
 - Borrow from neighboring countries
- Statistical discrepancies
 - “Manual” adjustment to reduced them to, say , under 5%
 - Mechanical (RAS) adjustment when under 5%.