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Strengthening statistical capacity-building in support of progress
towards the Internationally Agreed Developments Goals in the
Southern African Development Community region

Supply and use tables: Introduction



Supply and Use Tables

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Introduction

- ◆ A detailed basis for analyzing industries and products in the SNA through integration and breakdown of:

The goods and services account

The production account

The generation of income account



Introduction

- ◆ SUT can be used as a compilation tool because the overall framework facilitates:

data checking/reconciliation.

gap filling.

- ◆ A number of countries treat SUT as central to their compilation process, not just as an irregular add-on needed to derive input-output tables.



Introduction

Two identities hold:

- ◆ The identity by industry

Output by industry = input by industry

- ◆ The identity by product

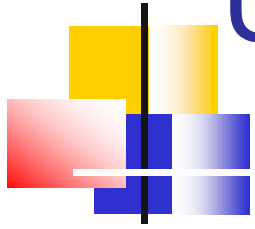
Total supply by product = total use by product



Supply Table

A Simplified Supply Table

Supplies		Industries	Rest of the World	Total
		(1)	(2)	(3)
Products	(1)	Output by product and industry	Imports by products	Total supply by product
Total	(2)	Total output by industry	Total imports	Total supply



Use Table

A Simplified Use Table

Uses	Industries	Rest of the World	Final Consumption	Gross Capital Formation	Total
	(1)	(2)	(3)	(4)	(5)
Products	(1) Intermediate consumption by product and by industry	Exports by product	Final consumption expenditure by product	Gross capital formation by product	Total use by product
Components of (2) value added	Value added by component and by industry				
Total	(3) Total inputs by industry				



Valuation of Transactions

- ◆ Basic concepts and interrelationships

Basic prices

Producers' prices

Purchasers' prices



Valuation of Transactions

- ◆ Valuation of product flows

Output

Use of goods and services

Exports and imports

Trade and transport margins

Taxes and subsidies



Valuation of Transactions

Equality of supply and use

Supply at basic prices

Plus

Taxes less subsidies on products (Including nondeductible VAT)

Plus

Trade and transport margins

Equals

Supply at purchasers' prices

Equals

Use at purchasers' prices



Valuation of Transactions

- ◆ Transition.....
- ◆ Supply table: from basic prices to purchasers' prices
- ◆ Use table: from purchasers' prices to basic prices



Example

A simple numerical example to illustrate the structure of supply and use tables:

Farmer produces wheat 1,000

Imports seed 600

Miller produces flour 1,800

Uses wheat 1,000

The miller sells flour to exports (500) and to a retailer (1,300)



Example

Retailer sells flour to households	1,600
Sales tax on sales to household	100
Purchases for resale	1,300
=> Retail margin (basic prices)	200
Intermediate consumption	0



Deriving GDP from SUT

The three approaches are identical, when complete information is available.

- ◆ Supply and use tables are a powerful tool for compilation of GDP and reconciliation of different estimates of GDP.
- ◆ The broad supply-use (or commodity flow) approach can be used to undertake studies of particularly important commodities.