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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
### A Simplified Supply Table

<table>
<thead>
<tr>
<th>Supplies</th>
<th>Industries</th>
<th>Rest of the World</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>Output by product and industry</td>
<td>Imports by products</td>
<td>Total supply by product</td>
</tr>
<tr>
<td>Total</td>
<td>(2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total output by industry</td>
<td>Total imports</td>
<td>Total supply</td>
</tr>
</tbody>
</table>
### A Simplified Use Table

<table>
<thead>
<tr>
<th>Uses</th>
<th>Industries</th>
<th>Rest of the World</th>
<th>Final Consumption</th>
<th>Gross Capital Formation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products (1)</td>
<td>Intermediate consumption by product and by industry</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>Components of (2) value added</td>
<td>Value added by component and by industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total (3)</td>
<td>Total inputs by industry</td>
<td>(3)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Use Table**

6
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.