

COMPILATION OF SUT IN ESCWA Member States

August 2018

Supply and Use Tables

Size and Structure

Supply and Use Tables: Overview (1/4)

- SNA framework includes SUTs, in addition to the flow accounts and balance sheets
- SUTs record how supplies of different products originate from domestic industries and imports and how those supplies are allocated between intermediate or final uses, including exports
- In the commodity flow approach, different sources of supplies of a product are traced to its subsequent uses under various categories
- Both SUTs and Commodity flow approaches follow the same concept of product balances. The commodity flow approach provides a description of the supply/use balance for a single product, whereas a generalization of this for all products in the economy gives rise to SUTs.
- SUT framework thus provides for balancing the supply and uses of each product, without leaving scope for discrepancies in the national accounts
- The SUTs are one of the recommended tables under the minimum required data sets (MRDS) for implementation of SNA



Supply and Use Tables: Overview (2/4)

Supply and use tables

- A pair of tables in the form of matrices that record how supplies of different kinds of goods and services originate from domestic industries and imports and how those supplies are allocated between various intermediate or final uses, including exports.
- They are an extension of goods and services account with detailed products
- **Supply table**: presents supplies from domestic production and imports, for each of the products included in the table
- **Use table**: presents the use of each of these products by the categories of intermediate consumption, final consumption expenditure of government, households, and NPISHs, gross fixed capital formation, changes in inventories, acquisition less disposals of valuables, and exports.
- The two tables together ensure that **supplies=uses** for each product; and **total output=total input**, for each industry, included in these tables
- The two tables are presented in the form of matrices with products shown in rows; and industries, imports, valuations and final uses in columns.



Supply and Use Tables: Overview (3/4)

Simplified supply/use equation

Supply of a product/group of products	=	Use of the same product/group of products
Domestic production + imports	=	Intermediate consumption + final consumption expenditure of government, households, and NPISHs + gross fixed capital formation + changes in inventories + acquisition less disposals of valuables + exports

- In the above equation, the two sides are on different valuations
 - supply is valued at basic prices meaning farm-gate or factory gate prices for domestic products and at their c.i.f. values for imports;
 - Uses, on the other hand, are valued at purchasers' prices
- For product balancing, it is necessary to bring both sides to the same valuation, either at basic prices or at purchasers' prices



Supply and Use Tables: Overview (4/4)

- In order to bring the supply of a product at basic prices to purchasers' prices, the trade margins and transport costs, and taxes less subsidies on products need to be added
 - This is because the goods produced in the units have to go through the trade and transport chain and pay product taxes (less subsidies) before they reach the purchasers.
 - Services will not go through the trade and transport chain, as they are delivered to the users at the time of their production. They may, however, have to incur taxes on products (less subsidies on products).

Supply/use equation with valuation adjustment

Supply of a product/group of products at purchasers' prices	=	Use of the same product/group of products at purchasers' prices
Domestic production+ imports + trade margins + transport costs + taxes less subsidies on products	=	Intermediate consumption + final consumption expenditure of government, households, and NPISHs + gross fixed capital formation + changes in inventories + acquisition less disposals of valuables + exports



Figure 1. Illustrative Supply and Use Table.

	SUPPLY										USES								
	Agriculture	.Manf, utilities, constrn	Services	Total dom. supply	Imp. c.i.f.		Total supply at BP	Transport cost and trade margins	Taxes less subsidies on products	Total supply at PP	Agriculture	Industry	Services	Total inter-industry use	Exports, f.o.b.	HFCE/ NPISH	GFCE	GCF	Total use at PP
					(total f.o. b.)	c.i.f./ f.o.b. adjustment													
(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)	(8)=(5)+(6)+(7)	(9)	(10)	(11)=(8)+(9)+(10)	(12)	(13)	(14)	(15)=(12)+(13)+(14)	(16)	(17)	(18)	(19)	(20)=(15)+(16)+(17)+(18)+(19)
1. Agrl	3245			3245	23		3268	30	10	3308	400	450	130	980	57	222 9	15	27	3308
2. Manf, utilities, constrn		516 3		5163	85 0		6013	100	-115	5998	160	2050	1000	3210	513	127 1	13 0	874	5998
3. Servs			659 4	6594	94	-10	6678	- 130	885	7433	24 2	121 7	136 2	282 1	275	245 6	81 7	1064	7433
4. c.i.f./ f.o.b. adj					-10	10	0			0									
5. PRA					10		10			10						10			10
6. PNRDM																-20			-20
7. Total	3245	516 3	659 4	1500 2	96 7	0	15969	0	780	16749	802	3717	2492	7011	865	594 6	96 2	1965	16749

Commodity flow method

- Useful in establishing product balances with supplies = uses

Total supply	Domestic production + imports + taxes less subsidies on products
Total uses	Intermediate consumption + household final consumption expenditure + government final consumption expenditure + consumption expenditure of NPISHs + gross fixed capital formation + change in inventories + valuables + exports

- Also useful to estimate any one item missing in the above equation, either at product level or at the level of total economy
- Several developing countries use commodity flow method to estimate household consumption and/or the gross fixed capital formation.
- **An example of Poultry meat**
 - Mainly for household consumption but a part of it also may be intermediate consumption (food processing industries, restaurants)



Poultry

Domestic production (value at farm gate)	6,500
Imports (c.i.f.)	0
Taxes on poultry	0
Subsidies on poultry	0
Trade margins (on household consumption)	130
Trade margins (on intermediate consumption)	10
Transport charges	65
Intermediate consumption	1,000
Final consumption expenditure by households	Unknown
Gross fixed capital formation	0
Change in inventories	0
Exports	45

Commodity Flow calculation for Poultry	
Supply	
Domestic production (value at farm gate)	6,500
<i>plus</i> Imports (c.i.f.)	0
<i>plus</i> Taxes on poultry	0
<i>less</i> Subsidies on poultry	0
<i>plus</i> Trade margins (on household consumption)	130
<i>plus</i> Trade margins (other)	10
<i>plus</i> Transport charges	65
<i>equals</i> Total supply	6,705
Uses	
Intermediate consumption (for pet food)	1,000
<i>plus</i> Household final consumption expenditure	Unknown
<i>plus</i> Government final consumption expenditure	0
<i>plus</i> Gross fixed capital formation	0
<i>plus</i> Change in inventories	0
<i>plus</i> Exports	45
<i>equals</i> Total known uses	1,045
Residual calculation	
Total supply	6,705
<i>less</i> Total known uses	1,045
<i>equals</i> Final consumption expenditure by households	5,660

Size and Structure of the SUT

- Dimensions of the SUT should be determined taking into account:
 - needs of user;
 - data sources; and
 - staff resources
- Industry Dimension:
 - Need to support benchmarking of published industries: GDP(P)
 - Ideally should be based on ISIC Rev. 4
- Product Dimension:
 - Need to have separate categories for the key products in the country economy
 - Ideally should be based on CPC v.2
- Final Demand Categories:
 - Will pick up this discussion in later session



Discussion - Size and Structure of the SUT

- Current experience of ESCWA members
 - What are the important products to be identified?
 - What size (number of industries and products) tables are produced?
 - Are these sufficiently detailed?
 - What limitations does staffing place on the size?
- Working within the region and within global system
 - Use of ISIC and CPC, any issues?
 - Would it be desirable to have a common size and structure for SUTs in the region?

