www.stat.gov.kz

Workshop on Supply and Use Tables (SUT) for EECCA and South-East Europe countries 2-4 October 2018, Chisinau (Moldova)

# **Input-Output Tables**

Nursultanova Ainur
Chief Expert of National Accounts
Committee on statistics of Ministry
of national economy of the
Republic of Kazakhstan

#### **Publication**

In the national statistical practice, newsletters are produced according to the plan of statistical activities

Product	Periodicity	The date of publication
Supply-Use Tables of the Republic of Kazakhstan	Annually	November 25
Input-Output Tables of the Republic of Kazakhstan	Annually	December 23

#### SUT, IOT

# Methodological basis

**System of National Accounts** 

Guidelines for preparing input-output tables and their analysis

#### Classifications

**CCEA** 

• Common Classification of Economic Activities, CC RK 03-2003 (NACE Rev.2)

**CPEA** 

Classification of products by economic activity (CPA 2008)

# **Dimension**

Name	Production tables	Published tables
Supply-Use tables	114 x 698	72 x 125
Input-output tables	114 x 114	68 x 68

#### **Data sources**

# **Supply and use tables**

#### **Sectoral statistics data**

- Volumes of produced goods and services
- Household income and expenditure, retail trade
- Gross fixed investment, stock of fixed assets
- Other data

#### Departmental and administrative data

- National Bank of RK (balance of payments, services balance etc.)
- Ministry of Finance of RK (state budget implementation report, customs statistics)

#### Structural statistics data

Indicators of accounts of production, education and use of income

#### **Sources of information**

## **Input-output tables**

Supply and use tables data

- Supply in basic prices, transfer to the purchasers 'prices;
- Use of goods and services at basic prices;
- Use of imported products (goods and services);
- Use of domestic products (goods and services).

#### **Types of symmetric IOTs**

There are two types of symmetric IOTs: industry by industry

product by product

 Republic of Kazakhstan compiles product by product type of IOTs

Symmetric IOTs are compiled by using mathematical transformation from supply and use tables.

IOT are mainly used for economic analysis and econometric modeling.

# **IOT** classical scheme

Main identity:

# Total supply = Total use

			Intermediate consumption			Final	Total use
			(products)			consumption	
			1		N		
Intermediate		1	$a_{11}x_1$	•••	$a_{1n}x_n$	$y_1$	$\mathbf{x}_1$
	mption			•••	•••		
(products)	ducts)	n	$a_{n1}x_1$	•••	$a_{nn}x_n$	$y_n$	$\mathbf{x}_{\mathbf{n}}$
Gross va		ie added					
			$z_1$		$Z_n$		
	Net taxes	on					
	products		$t_1$	•••	$t_n$		
Imports			$\mathbf{k}_1$	•••	$k_n$		
Total supply		$\mathbf{x}_1$	•••	X <sub>n</sub>			

# **Methods of deriving IOTs from SUTs**

Reallocating secondary activities of certain industries to principal industry



Transferring the costs of secondary activities of this industry

#### **Methods of deriving IOTs from SUTs**

There are two basic approaches for the redistribution of secondary products. Both are based on the use of data from the supply-use table to make it diagonal.

Based on assumptions about the production technology in the industry

Based on assumptions about the production technology of the product

#### Based on assumptions about production technology in the industry

To convert tables into clean industries using this technology, the following calculations are used:

$$T = \left(diag(g)\right)^{-1} \cdot V^T$$

where T – transformation matrix,
 V – matrix of output in basic prices (products by industry),

diag(g) – diagonal matrix.

## Based on assumptions about production technology in the industry

The formula for calculating intermediate consumption by industries:

$$S = U \cdot T$$

- where, *U* matrix of intermediate consumption at basic prices
  - (product by industry)
- S symmetric matrix of intermediate consumption at

basic prices (product by product).

Similarly, we obtain a matrix of value added:

$$K = Y \cdot T$$

- where, Y value added matrix (components by industry),
  - value added matrix (components by product).

$$Z = Z$$

where, Z – final demand matrix

К

# Based on assumptions about the production technology of the product

The following calculations are used to convert tables to industries:

$$T = V^{-1} \cdot (diag)(q - m)$$

where

transformation matrix

V — matrix of output in basic prices (products by industry), q-m — output vector in basic prices

# Based on assumptions about the production technology of the product

Calculation formula for intermediate consumption by industries:

$$S = U \cdot T$$

where, *U* — matrix of intermediate consumption at basic prices

(product by industry)

S – symmetric matrix of intermediate consumption in

basic prices (product by product).

Similarly, we obtain a matrix of added value:

$$K = Y \cdot T$$

where, Y — added value matrix (components by industry),

added value matrix (components by product).

$$Z = Z$$

where, Z - final demand matrix

K

#### Mixed-mode method

IOT preparation in Kazakhstan in practice

 Two methods of reallocate secondary products are combined to reduce or remove negative values

#### **Coefficients of direct costs**

The coefficients of direct and total costs are important for the analytical purposes, coefficients are based on symmetric IOTs at basic prices.

Direct cost coefficients are calculated by the formula:

$$a_{ij} = \frac{x_{ij}}{X_j}$$

where

 $x_{i,j}$  – cost of product i at basic prices used as intermediate input to produce product j,

 $X_i$  – total production of product j

#### **Coefficients of total cost**

The total cost coefficients are considered not only direct but also indirect costs per unit of total final demand.

The total cost coefficients are calculated by the formula:

$$K = (E - A)^{-1},$$

where K – coefficients of the total cost;

E – identity matrix;

A – coefficient matrix of direct costs.

#### **Publication**

"Input-Output Tables of the Republic of Kazakhstan" newsletters for 2001-2016 according to the classification of products by economic activities (CPA 2008)

are posted on the official statistics website www.stat.gov.kz

<u>The official statistical information > Operational data (Express information, bulletins) > National accounts > Integrated accounts</u>

# Thank you for your attention