

Supply and use tables Palestinian case

Special Session on Supply and Use Tables and Input-Output Tables

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Background of Palestinian SUTs

- National Accounts Department at the Palestinian Central Bureau of Statistics (PCBS) compiled the first SUTs for 1997.
 - ✓ 1997 the first Palestinian census was performed
 - ✓ Using excel
- 2004 SUT
 - SUTs were compiled by region (for west bank and Gaza strip)
 - Establishment survey.
 - using excel sheet.
- 2017 SUT-
 - SUTs were compiled by region (for west bank and Gaza strip) using ERETES

2017 SUTs framework

- Based on Generic Statistical Business Production Model (GSBPM).
- Phase 1: Specify needs, design and build
- Phase 2: Collect
- Phase 3: Process
- Phase 4: Analyze
- Phase 5: Dissemination and Documentation

SUT2017: Dimensions and classifications

- level of detail for industries and products based on:
 - Availability and quality of source data
 - The user need for researches and visibility studies
 - For some products, is it possible to identify whether those are used as intermediate consumption or final consumption
 - The importance of some industries and products such as Olive oil product
- Include 87 products with 54 industries
- Industry classification ISIC REV 4 , Product classification (CPC Ver. 2.1)

Constructing The Supply And Use Tables

- **The Supply Table:**
 - **Domestic production matrix**
 - Economic surveys, Administrative records,
 - Agricultural statistics ,
 - Ministry of finance data pertaining the VAT and custom duties
 - Government data
 - expenditure and consumption survey for the household production
 - **The valuation vectors :**
 - ***Trade & Transport margins*** : Economic surveys (wholesalers and retailers , transport companies), other methods (Statistical studies)
 - ***Taxes and subsidies on products***: taxes on products are broken into (Import duties, non deductible VAT)
- **Transactions with the rest of the world: Imports in supply side and Exports in use side**
 - Foreign trade statistics obtained from The customs statistics in the ministry of finance

cont.

- **The Use Table**
- **intermediate consumption matrix**
 - Economic surveys, government statistics, administrative records, Budget data of UNRWA and NPIs
- **Gross fixed capital formation**
 - The Demand approach and The Supply approach for gross fixed formation
 - check the consistency
- **Changes in inventories:** economic surveys
- **final consumption expenditure**
 - **Household** :(the Palestinian expenditure and consumption survey)
 - **Government:** (General budget of Palestine & Local government data)
 - **non-profit institutions serving households (NPISH):** (Annual economic surveys, Administrative records, Budget of the UNRWA)

Balancing Supply and Use Tables

- Balancing SUTs is an essential step to investigate the consistency of the data (different sources with different classifications)
- The balancing process must follow the basic identities of the national accounts
- the basic for the Product balance
 - $\text{Output} + \text{Imports} = \text{Intermediate Consumption} + \text{Final Consumption} + \text{Gross Capital Formation} + \text{Exports}$
 - Every difference between total supply (including margins and taxes) and total use (at current and constant prices) for any product points to an inconsistency.
 - Analyzing the problem in detail

Cont.

- Determining the variables are more likely to be causing the Im balances
- Possible to arbitrate on quality of available data
 - administrative records recognized as solid data
 - Imports and Annual economic surveys data less solid than Household final consumption data
- The investigation process requires that the compiler maintain certain structures as stable as possible, for example the input-output ratio
- In the Palestinian case analyzed and discussed with the experts together with the compilers of the data

The ERETES used for the compilation of the SUT 2017

The largest discrepancies

The supply and Use of Livestock Product

Supply		Use			
Output	257,736 \$	Intermediate Consumption	25,967 \$		
Imports	108,309 \$	Final Consumption	22,687 \$		
TTM	18,884	Export	52		
Other Changes*	-	Change in Inventories	346 \$		
Total Supply	384,929 \$	Total Use	49,052 \$	=	335,877 \$
				Discrepancies	

The supply and Use of Meat Product

Supply		Use			
Output	17,104 \$	Intermediate Consumption	1,943 \$		
Imports	14,087 \$	Final Consumption	290,104 \$		
TTM	49,457 \$	GCF	-		
Other Changes*	7,570 \$	Change in Inventories	131		
		Exports	1,542 \$		
Total Supply	88,218 \$	Total Use	293,720 \$	=	-205,502 \$
				Discrepancies	

Cont.

Balancing the Livestock Product

Supply		Use			
Output	257,736 \$	Intermediate Consumption	25,967 \$	+ 335,877 \$	
Imports	108,309 \$	Final Consumption	22,687 \$		
TTM	18,884 \$	GCF	-		
		Change in Inventories	346 \$		
		Exports	52 \$		
Total Supply	384,929 \$	-	Total Use	384,929 \$	=
				Discrepancies	-

Balancing the Meat Product

Supply		Use			
Output	17,104 \$	Intermediate Consumption	1,943 \$	=	-
	+ 205,502				
Imports	14,087 \$	Final Consumption	290,104 \$		
TTM	49,457 \$	GCF	-		
Other Changes*	7,570 \$	Change in Inventories	131		
		Exports	1,542 \$		
Total Supply	293,720 \$	-	Total Use	293,720 \$	
		Discrepancies			

Milk and Dairy Products

The supply and Use of raw Milk Product

Supply		Use			
Output	288,165 \$	Intermediate Consumption	37,440 \$		
Imports	5,770	Final Consumption	5,245		
TTM	1,203	GCF	-		
Other Changes*	-	Change in Inventories	-		
		Exports	-		
Total Supply	295,138 \$	Total Use	42,685 \$	=	252,453 \$
				Discrepancies	

The supply and Use of Dairy Product

Supply		Use			
Output	96,922 \$	Intermediate Consumption	20,796		
Imports	73,739 \$	Final Consumption	238,842 \$		
TTM	65,421 \$	GCF	-		
		Change in Inventories	-		
		Exports	4,502 \$		
Total Supply	236,082 \$	Total Use	264,140 \$	=	-28,058 \$
				Discrepancies	

Cont.

Balancing the Milk Product

Supply		Use			
Output	248,125 \$	Intermediate Consumption	37,440 \$	+ 235,103 \$	
Imports	5,770	Final Consumption	5,245		
TTM	23,893	GCF	-		
Other Changes*	-	Change in Inventories	-		
		Exports	-	=	-
Total Supply	277,788 \$	Total Use	277,788 \$		
				Discrepancies	

Balancing the Dairy Products

Supply		Use			
Output	96,922 \$	Intermediate Consumption	20,796	+ 8,000 \$	
	+225,078 \$				
Imports	73,739 \$	Final Consumption	238,842 \$	+ 99,158 \$	
TTM	18,559 \$	GCF	-		
		Change in Inventories			
		Exports	4,502 \$	+43,000 \$	
Total Supply	414,298 \$	Total Use	414,298 \$	=	-
				Discrepancies	

Compiling SUT's Challenges

- **Lack of detailed data**
 - **To overcome those challenges:**
 - ✓ Conduct several workshops with the data sources
 - ✓ Organizing visits to some enterprises to get an idea about the chain process
 - ✓ Discuss the gaps and the imbalances with experts
 - ✓ Use some ratios from similar economies to estimate input- output ratios.
- **Lack of human resources**
- **Financial constraints**

General Recommendations:

- follow the GSBPM approach: describes and defines the process
- Strengthen the collaboration between statistical office and related line ministries
- Enhance relationships with data sources (meetings and workshops) to get the requirements of the SUT
- Setting up an advisory committee which is a supporting power for the national accountants
- number of rows and columns of the SUTs based on the availability of detailed data sources and the size of staff involved.
- Decide the IT requirements and the proper software to be used
- documentation

Thank you

Palestinian Central Bureau of Statistics (PCBS)