Comments on draft SNA chapter:
Chapter 28: Input-output and other matrix-based analyses

Deadline for comments: 1 November 2008
Send comments to: sna@un.org

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Submission date:	October 31, 2008

This template allows you to record your comments on draft SNA chapter 28 "Input-output and other matrix-based analyses" and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any or all parts of the template.

There is no file comparing existing text with draft text for this chapter because the draft is largely new text.

Save this template and send it as an attachment to the following e-mail address:
sna@un.org

Note

The chapter does not attempt to describe IO tables at any length. There are many other documents that do this including the newly released Eurostat manual. The chapter concentrates only on the process of converting the supply and use tables to a symmetric format.

The material in section B was suggested at a stage too late for incorporation in chapter 14 but was felt to be useful to include in this chapter.

There are two large tables needed for the chapter that are still under preparation; these are the table showing the supply and use table with the cross-classification of intermediate inputs by industry and institutional sector and the symmetric IO table. They will be posted as soon as they are available but should not be a cause for delaying the comment on the chapter.

Part I: General comments

In the space below, please provide any general comments. This may cover e.g. the structure of the chapter, issues missing and (lack of) consistency with other chapters of the 2008 SNA.

General comments:

General comment	A section on the applications of the supply and use tables and symmetric input-output tables will be very useful for developing countries in particular. See ESA draft chapter "The input-output framework (ESA 95 revised)"

Part II: Comments on specific draft paragraphs and sections

All comments on specific draft paragraphs are welcome. They can be about e.g. scope, content and clarity. Proposing a concrete alternative text or table is also possible. For the paragraphs in separate sections, separate forms are used for providing and collecting comments (see below).

A. Introduction (paragraphs 28.1-28.4)

General comment	
28.4	
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* Insert rows in this Word table for each paragraph on which you wish to comment.

B. Further discussion of the supply and use tables (paragraphs 28.5-28.20)

General comment	
28.9	For clarity, the Para 28.9 should precede the Table 28.3
28.17	In the case of goods sent for processing, the text reads "treat processing on own account and on behalf of another as different types of activity and different products". Add that when a raw material is sent for processing under one classification and comes back processed under

	another classification, a production function needs to be created where the raw material and the value of processing fee combine to produce a processed product which is then allocated to various uses. The crude oil and petroleum is a good example.
	It may also be stated that in general, revenue for processing services make it more difficult to relate an industry's inputs to its outputs. For the models, we usually assume a homogeneous production function for all outputs of an industry. This implies that the input coefficients apply equivalently to each output of an industry. Mixing two types of production functions in the same industry, one that includes all intermediate inputs and another that includes only a portion of those inputs further corrupts the notion of homogeneity. In such a context, it becomes impossible to estimate the inputs required for the production of an output with any reasonable accuracy.
	This will also present problems in international comparability of production function as some countries might become a major processor and others rely on foreign processing.
28.19 last sentence	The Table 28.5 is supposed to present a cross classification of production account items by industries and institutional sectors. This is not reflected in the last sentence of Para 28.19 which reads " This gives a table showing for each sector not just what the total intermediate consumption is but also a product breakdown of this as shown in table 28.5" See Table 15.3 *Cross classification of production account items by industries and institutional sectors* in the 1993SNA
28.20	The statement "it greatly facilitates the compilation of a table like table 28.5 if in the original supply and use table, a distinction is made between three types of output: market output, output for own final use and non-market output…" is confusing because the table 28.5 is to present a cross classification of production accounts items by industries and institutional sectors. The split of production into market, own account and market output is not essential for such a table.

* Insert rows in this Word table for each paragraph on which you wish to comment.

C. Deriving an input-output table (paragraphs 28.21-28.41)

General comment	1. Mention should be made of the rectangular supply and use tables. 2. For completeness and precision, an annex to this chapter should contain a mathematical presentation of commodity technology and industry technology assumptions. (See Annex on page 48 in the 1968 SNA)

28.38	The statement that "negative entries cannot appear under the product technology assumption" is incorrect. See the Para 15.147 in !993 SNA "The automatic application of this method has often shown results that are unacceptable….There are even numerous examples of the method leading to negative coefficients … This might be overcome by making adjustments based on supplementary information or exploiting informed judgement to the fullest extent possible"

* Insert rows in this Word table for each paragraph on which you wish to comment.

D. Expressing the sequence of accounts in matrix form (paragraphs 28.42-28.52)

General comment	For clarity, add a table like Table 20.2 *Consolidated SNA matrix with sub-accounts* in the 1993 SNA
28.42	
*	

* Insert rows in this Word table for each paragraph on which you wish to comment.

E. Social accounting matrices (paragraphs 28.53-28.56)

General comment	The sections "Social accounting matrices" and "A SAM for labour accounts" should more appropriately be included in the chapter on Satellite Accounts.
28.53	
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* Insert rows in this Word table for each paragraph on which you wish to comment.

Part III. Other specific comments

You are welcome to make other specific comments. To assist you in doing so, the following points are provided as a guide to the types of points on which you might wish to comment. Note, though, that you are not restricted to commenting on only these points.

1. Is the alternative treatment of the CIF to FOB adjustment clear?

2. Is the impact of the revised treatment of goods for processing on the SUT clear?

3. Is the discussion on how to convert the SUT to IOT clear?

4. Is the matrix presentation of the sequence of accounts clear?

5 Are there references that should be added (especially for SAMs)?

Specific comments:

Specific comments	1.yes 2.See comments 3.See comments 4.See comments 5. Yes especially the work in Netherlands.

You are also welcome to comment directly on the PDF file of the draft chapter. Please do so by using Adobe Acrobat Version 6 or 7.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make detailed comments, please send a message to sna@un.org requesting a version of the draft chapter that permits you to comment. To optimize your commenting tools, please download Adobe Reader 7.0 for free from http://www.adobe.com/products/acrobat/readstep2.html