

**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](mailto:sna@un.org)**

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Submission date:	28 October 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](mailto: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	<p>1. The relevance of input-output tables is somewhat diluted in the chapter that devotes only one third to them and opens with the remaining issues on supply and use table.</p> <p>We understood that the aim of Vol. 2 is to provide interpretations of the accounts and extensions such as satellite accounts, but we consider that input-output tables, due to their importance for analytical analysis (that, by the way, is resurging in the context, for example, of productivity analysis), deserve a more prominent role. A suggestion could be to rearrange the order of the sections.</p> <p>2. The lengthy discussion on the treatment of margins on imports adds to the already extensive treatment in chapter 14. The coherence and usefulness of the two messages have to be carefully checked.</p> <p>3. Part 2 "Goods processed by a unit not the legal owner" could be shortened focussing more on their treatment in SNA 2008 and less on rejected alternatives. In addition cross references to the relevant paragraphs in Volume 1 should be made.</p> <p>4. Chapter 29 <i>Satellite accounts and other extensions</i> lists a number of known extensions to input-output tables in the form of satellite accounts. Given this the placement of section E (§ 28.55 ff) within chapter 28 maybe challenged. Social accounting matrices (SAM) are as well an example for satellite accounts. Hence the §§ mentioned could be removed from chapter 28 and integrated into 29.</p>
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**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	
28.1	

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

General comment	
28.14	It is important to ensure consistency between SNA 2008 and BPM6 with respect to delivery between affiliates.
28.16	2nd sentence: "the cost" should be replaced by "the intermediate consumption"
28.20	Even if appealing from a theoretical point of view, it idea is not realistic from a practical point of view. On the one hand it would strongly hamper the readability of supply and use tables. On the other, producers reporting these statistics will definitely not dispose of distinctive information of which input they need for market and for non-market products etc. Even if the companies would have such precise information it would impose an unjustified additional burden for them to report on that. To date most NSI in Europe do not even provide the aggregated split of total output to the three categories..

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

General comment	Click here and start typing.
28.37	<i>"The industry technology assumption is most appropriate for by-products. It implies that even if the output mix of an industry changes, the proportions in which the inputs are used are not affected"</i> . This assumption sounds not fully realistic and has very often been considered irrelevant in the literature. In practise industry by industry tables are compiled on the basis of the fixed product sales structure assumption which is explained further below in the draft.
28.38	<i>"Negative entries cannot appear under the product technology assumption and their appearance under the industry technology assumptions is one reason why the product technology assumption is often preferred"</i> . On the contrary, negatives can appear under the product technology assumption and then need to be removed by reconciliation of supply and use table and/or by mathematical algorithms e.g. the Almon method. (see also SNA93 15.147).

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

General comment	Click here and start typing.
28.42	Click here and start typing.

### E. Social accounting matrices (paragraphs 28.53-28.56)

General comment	Click here and start typing.
28.53	Click here and start typing.

### 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	Click here and start typing.
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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](mailto: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>