

## Compilation of supply and use tables at previous years prices in Portugal

Topic: Supply, Use and IO Tables: Previous Year Prices

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### Abstract:

Since the European system of national accounts (ESA) has been introduced in the country, in the early eighties of the past century, with start at 1977 economic year, Statistics Portugal (INE) included the development of the supply and use tables (or similar), both in current and at previous year prices, as fundamental instruments for the elaboration and simultaneously as outputs in the system framework related, at last extent, to the determination of the Gross Domestic Product (GDP). With the introduction and the requirements of the ESA 95 specially addressed to the European countries, a complete series of SUT became available respecting the methodological changes thereafter made compulsory: from 1995 to 2011, up to now, SUT matrices (nominated more recently as Quadro de recursos e empregos - QRE) were built and edited, in current and at previous year prices, with full detail ( 127 industries by 433 products) in their preparation but limited when edited (to 82 industries x 88 products or, at least, 38 x 38 industries and products).

These SUT / QRE are fully integrated in the Portuguese national accounts. Why this and how far?

Well, such a long and continued experience in SUT elaboration helped in the improving of all the background concerning the compilation of the basic information, previously to the QRE integration itself, then in its conception, with full detail for all the components, afterwards in its operation (data full-up) and finally during the balancing procedures. QRE are matrices by industries and products that allow the description in a quite detailed way the yearly output processes and the product transactions over the national economy.

One important step before SUT building-up, is the elaboration of supply and use balances by product (EREs) with maximum detail in terms of classification of products and with standard display of data or estimates for the different transactions, including their valuing components, like product taxes or trade margins, both in current and at previous prices, and the nominal and real resulting indexes, reported to the correspondent precedent year data, plus the indexes prices used, case by case. The balanced EREs enter directly in the first draft of the SUT at current or at previous year prices, depending on the same valuation obtained in the balance of each product.

EREs as well as previous Output and Intermediate Consumption (IC) matrices by institutional sector and the resulting tables of Output or IC by product, industry, sector and kind of output, (for Output only), with plenty details, constitute the main background instruments that ensure the consistency, coherence and, at the end, the quality of QRE (Portuguese SUT) built in current and at previous year prices simultaneously.

This paper focuses in particular the QRE / SUT at previous year prices elaborated yearly by INE, Portugal. The aim is to enhance the relevance of its construction in all stages of the work concerning the GDP estimation and the main sources and procedures developed to its establishment. Indirectly, these features of the QRE / SUT at previous year prices grant overall quality to Portuguese NA estimations, namely to the volume or real estimates, like GDP volume increase rates.

Not only the accounting framework and the background of the QRE / SUT assure an optimal integration and balancing of all the relevant economic information but the simultaneous and interactive processes of choices and adjustments guarantee the full consistency and coherence, notably to the current and previous year prices estimations for all the transactions concerned and their components. These, correspond to different dimensions, or (potential) sub-matrices, which make feasible to show each product item or aggregate at basic prices or at market prices with each valuing element in detail, like trade margin, GVA, other product taxes or subsidies. The perspective of product versus industry is still guaranteed in the system.

More, the synthesis of the QRE / SUT is made in closer connection with the synthesis of the relevant economic accounts of all the institutional sectors.

Finally, QRE / SUT matrices and all their background produced by INE, Portugal, provide full information that is necessary to produce Input Output matrices, five yearly required by Eurostat (EC).