

Developments and Challenges in Producing UK Supply and Use Tables

Topic: Compilation of National Supply, Use and Input-Output Tables

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Before high quality Input Output tables, we must have high quality estimates of Supply and Use. Balancing the three measures of GDP (production, income, and expenditure) is done annually through supply and use tables. Generally in the UK, the most recent 3 or 4 years are fully balanced, and earlier years are adjusted to accommodate methods and data improvements. However, in 2019 supply and use tables were rebalanced back to 1997 to incorporate significant method and data changes, and in 2014 a similar full rebalance took place as part of moving to the ESA 2010 accounting standards.

In the supply and use tables, production data are confronted with income data at industry level, and with expenditure data at product level. In the UK, we have a subdivision to 114*114 industries/products. In the industry dimension, production data (based predominantly on surveys run by the Office for National Statistics) and income data (based predominantly on tax records) are confronted to balance Gross Value Added estimates. In the product dimension, the production data is confronted with expenditure data (from multiple administrative and surveys sources) to balance supply and demand. Each of the national accounts identities involved has its own strengths and weaknesses which vary (according to source data) from industry to industry and product to product.

The paper will discuss data source strengths and weaknesses across the three measures of GDP (including some reflections on recent globalisation work). There will be a focus on microdata and other improvements, particularly in the production data (for example introducing new purchases survey data). There will also be reflections on the difficulties in large scale rebalancing such as in 2014/2019. The presentation will be largely qualitative. However, there will be some illustrative examples of the difficulties in balancing the data. There will also be some quantification of the scale of change introduced in 2019 and subsequent years as a result of other methodological improvements.

Finally, the paper will look at balanced GDP estimates for 2020. This will explore some of the difficulties encountered in producing balanced supply and use estimates in a year of unprecedented social and economic change. That will include impacts on compilation processes, source data, and links to wider developments in national accounts during the pandemic.

This is an update and resubmission of the paper accepted for the 28th Conference that had to be withdrawn due to personal circumstances.