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**The Choice of Model in the Construction
of Industry Coefficients Matrices**

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Abstract:

Kop Jansen and ten Raai's (1990) characterization of input-output product tables were adopted by the United Nations (1993) but recent frequent OECD publications and several EU funded projects in input-output analysis pitch product against industry tables and raise the issue of construction for the latter. We show how the main models are instances of the transfer principle, with alternative assumptions on the variation of input-output coefficients across product markets. We augment the theory by formulating desirable properties for industry tables and investigate the so-called fixed product and fixed industry sales structure models, which are used by statistical institutes. The fixed industry sales structure model is shown to be superior.

Keywords: Input-output tables

Archives: Construction of i-o tables; Methods and mathematics

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