

Attribution of GDP and Imports to Final Demand Components for Germany

Topic: Final demand in input-output analysis

Author: Liane Ritter

Foreign demand is very important for the economic development in Germany. But Germany is an important importing country as well. Up to now the contribution of final demand components to GDP growth has been measured only by the contribution of domestic final demand categories as a whole and of the balance of exports and imports in Germany. In this paper GDP and imports will be attributed to domestic final demand categories and to exports using input-output tables.

For Germany input-output tables are available from 1995 to 2006. This study will show how domestic production on the one hand and foreign production on the other hand contribute to the value-added chain of final demand components. It shows whether there are differences in the yearly contribution of the final demand components to GDP growth rates using the established method with the balance of exports and imports or using the attribution method by input-output modelling.

The GDP growth analysis is usually based on quarterly data and it is very timely. The challenge of the attribution method is that detailed information about final demand by product groups and data for the input structures of the domestic production process subdivided by origin (domestic or imported) are needed. Usually only yearly data are available. Input-output tables have so far been calculated only yearly in Germany. Preliminary tables are available about 32 months after the reporting year. Only data on parts of final demand components by product groups are available earlier. The impact of input-output tables of different years on the results will be analysed to see whether current estimates of GDP and imports attributed to final demand categories can be based on the input-output table of a previous year. In addition data sources will be checked to find out whether quarterly estimates would be possible for Germany.

The aim of this study is to show to what extent Germany can supplement the established information about GDP growth by estimates for GDP and imports attributed to final demand components.