The impact of the new ESA rules on Goods for Processing and Merchanting on the Belgian SUT and IO tables

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According to the rules of the ESA 2010, flows of goods related to international processing are to be excluded from imports and exports, leaving only a net flow for the value of the processing service. Moreover, goods purchased and sold abroad by a resident trader that do not cross his own countries’ borders (merchanting) are now included in imports and exports. Both changes with respect to the ESA 95 reflect the priority given to a change in ownership over the physical flows of goods. This is an issue of great concern for many users of IO-tables.

This paper shows how these changes in ESA-rules have been implemented in the Belgian Supply and Use and Input Output tables for 2010. To compute their impact, starting from the ESA 2010 version of the 2010 tables, a variant SUT and IO table is derived, using available trade data, in which the former ESA 95-rules for international goods processing and merchanting have been applied. This is preferred to directly comparing the existing ESA 95 and ESA 2010 versions of the tables which differ too much due to an occasional revision of the national accounts and other new rules introduced by the ESA 2010.