

Application of supply and use tables: centralized deflator compilation system Voltti for production indices

Topic: Better to deflate SUTs but â€” how to do it well?

Author: Ville Lindroos

A new centralized deflator and volume calculation system, Voltti, has been introduced in Statistics Finland. It utilizes the supply and use table framework in order to improve the coherence of price and volume calculations between National Accounts and Production Indices.

Deflator coherence is being achieved by using supply and use tables as weights on the deflator compilation, as well as taking all calculation definitions such as product level price sources, and methodological decisions from the compilation of fixed priced supply and use tables. These decisions include for example price index formulae for the deflators, deflation of taxes and margins, and correct deflation and aggregation order.

The advantages for production indices gained with the system are such faster production, higher quality of deflators, coherence with national accounts, and a smoother workload distribution with the more automated calculation system and co-operation with other departments.

This cross-departmental system is accessed via a web-based software. The software interface itself is mostly used for managing all the metadata related to the calculations, most challenging of those being the price-product links. For the actual execution of deflation compilation, the call can be done either via the volume index side of the software, or via web browser url. Other statistical software such as SAS can be used to call the url to acquire a large set of deflators as a part of a production process.