The Compilation of Supply and Use Tables in Israel

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Introduction

SUT for the Israeli economy are in high demand and are widely used in economic decision-making and academic researches.

SUT allow to make a qualitative analysis of the goods and services flows in the Israeli economy, as they are constructed on the basis of comparison and evaluation of data obtained from different sources.

SUT include:

- on the one hand – scope and value of the goods and services produced domestically, and also imported into the country;
- on the other hand, the directions and value of the use of goods and services in the domestic market and their export to other countries.
The first input-output table for the Israeli economy was developed in 1958 by economists of the Central Bank.

Since 1975, input-output tables are compiled by the Central Bureau of Statistics of Israel on a regular basis (with different periodicity).

The last input-output table, reflecting the structure of the Israeli economy in 2006, was published in 2013.

The work is currently performed on compiling input-output tables for 2014. The work is planned to be completed by December 2019.
History (2)

- The development of input-output tables starts by compilation of supply and use tables in extended format (249 industries in SUT for 2006).
- Benchmark year tables (2006) also provide the basis for construction in the following years of supply and use tables in an aggregate format (66-70 industries).
- Currently the benchmark 2014 SUT is developed in an extended format including 270 branches.
Development of the Tables (1)

- The development of benchmark supply and use tables and input-output tables is a complex and time-consuming process that requires, first and foremost:
  - training of specialists in the specific area
  - as well as specialized and costly statistical surveys.
- The process of compiling the tables expands over several years and includes:
  - Planning of activities and obtaining funding for specialized statistical surveys
  - preparation and running of statistical surveys
  - collection and analysis of data from various sources
  - compilation and balancing of the tables
  - publication and dissemination of the tables to the users.
Tables preparation process (2)

- Development of benchmark tables is carried out under the supervision of the Input-Output Division, which coordinates the work of other CBS units.
- The following units responsible for the preparation of the data participate in the work:
  - enterprise statistics by industry
  - national accounts statistics
  - balance of payments statistics
  - international trade statistics.
  - government finance statistics
  - and others.
- Joint meetings are regularly held, allowing to solve arising problems and take coordinated decisions.
Compilation of SUT

- The supply and use tables for the Israeli economy are based on 2008 SNA.
- SUT are developed
  - in the benchmark year – for 250-270 industries and typical products
  - between the basic years – for 65-70 industries and typical products.
- The characteristic product of the output of an industry is defined as a typical product
- The supply and use of goods and services by economic activities is presented in accordance with the new Israeli Standard Industrial Classification of Economic Activities 2011 (based on ISIC rev.4).
Structure of SUT

- The supply table presents the flow of products from two sources: domestic production and imports.
- It also includes a matrix of trade and transport margins and a matrix of taxes and subsidies on products.
- The use table presents the use of products for intermediate consumption by industries and final consumption, which includes exports, gross capital formation and final consumption expenditure.
- Final consumption is divided into consumption of households and non-profit institutions serving households, and consumption of the government sector, which further consists of collective and individual consumption.
Data sources (1)

The supply and use tables are compiled on the basis of information received through:

- statistical surveys
- analysis of the financial reports of enterprises,
- as well as data from administrative sources.

Annual statistical survey of:
- Industrial enterprises
- Trade, transport, communications and other service enterprises
- Hotels
- Income and expenditure of households.

Thematic statistical surveys:
- expenditure on R&D
- Import-export of services.
Data sources (2)

- Special statistical survey for the development of input-output tables:
  - Produced output and used in the production raw materials and supplies
  - Directions of use of the imported goods (raw materials-capital expenditure-final consumption).

- Administrative sources:
  - Execution of the state budget
  - Data on tax revenues
  - Data from the National Insurance Institute
  - And others.
Data sources (3)

- Import-Export of goods are based on the data from:
  - customs service (goods that are not subject to customs registration are additionally included)
  - statistical surveys of enterprises.

- Import-Export of services are estimated from balance of payments data, which are compiled using information from:
  - The Tax Office and the Central Bank
  - statistical survey of enterprises on export and import of services.
Supply and use tables are prepared jointly by the economic statistics units of the CBS. In this process information, obtained from a variety of sources and statistical systems that use different data processing methods and different statistical classifications, is used.

This leads to imbalances in the supply and use tables and requires further adjustment.
Balancing SUT(2)

- Balancing of supply and use tables is done at stages.
- At the first stage a working table (spreadsheet), including a column of differences between the supply and use of products, is forwarded to the respective units for analysis and development of proposals.
- At the next stage joint working groups (by main directions of products use) discuss proposals and take decisions on balancing the supply and use tables.
Conclusion

- The development of SUT is a complex and time-consuming process that requires qualified staff, resources to conduct statistical surveys and cooperation between CBS units.

- SUT are compiled as a result of comparative analysis of data from different statistical systems.

- The balancing of the tables requires adjustment of the estimates both on the product supply and on the product use side.

- Balanced SUT allow improving the quality of national accounts.
THANK YOU FOR YOUR ATTENTION

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