Compiling import use tables

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Moldova | October 2018
Import use matrices

- Information on how imported products are used in an economy – as intermediate inputs, as capital goods, as final consumption etc – is vital for our understanding of global value chains (GVCs) (and the construction of TiVA)
  - Including on how individual economies are embedded in GVCs, and contribute to and benefit from international trade
  - The use of imported products may differ significantly from the use of domestically produced output
- Therefore, the Total Use table should ideally be split into:
  - A Domestic Use table: describes the use of domestic output by product and by using industries and final demand categories
  - An Import Use Table: describes the use of imports by product and by using industries and final demand categories
- The split is typically made by developing import use tables and subtracting these from Total Use.
Constructing import use matrices

- Import use tables can be produced via several methods; there is **no single “ideal” approach**
  - the construction is **country specific** and depends on available **data sources** and **other (human) resources**
- **However, it is not recommended to use** methods that rely only on simplistic proportionality assumptions (potentially in combination with the UN BEC classifications), as the results can be highly misleading!
  - Proportionality assumption: users have no specific preferences in whether a domestic or imported product is purchased
  - BEC: the Broad Economic Categories classification, which provides a correspondence between products and their (theoretical) principal uses
Preferred alternatives for constructing import flow matrices

• Options:
  – Use proportionality/BEC *in combination* with more detailed constraints derived from:
    • Input-output surveys (incl. breakdowns of use by domestic/import origin), large company case studies/interviews, administrative sources (some countries require recording of counterpart VAT numbers of purchases), ...
    • Variety of combinations possible
  – Use *microdata linking* of trade and business statistics:
    • Goods: customs information linked to the business register (‘Trade by Enterprise Characteristics’/ TEC)
    • Services: Services trade survey linked to business register (‘Service Trade by Enterprise Characteristics’ / STEC)
Customs data and business register (or census) can often be linked *directly* (same IDs) or *indirectly* by developing bridge tables (linkable IDs, e.g. via chamber of commerce numbers or other public company registries).

Given that both sources are register based (full population), the share of non-linkable trade is often negligible.

Allows for the identification of which types of enterprises (which industries, but also: firm size, ownership) are engaged in trade (imports and exports), by product and partner country.

**Note however:**
- Direct imports by enterprises can be immediately derived
- Indirect imports (through wholesalers) need to be further treated
Linked trade-business statistics often identifies the wholesale industry as main importing/exporting industry

- Needs to be adjusted to match NA treatment of wholesale as margin producing industry

Options for developing adjustments

- Using company structures (establishments <-> enterprises <-> enterprise groups) to link wholesale establishments to production establishments of the same company
- Use detailed information on the type of products that is imported > distribute proportionally using direct imports as key
- Use detailed information on the type of wholesaler > likewise distribute proportionally using direct imports as key
Thank you

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