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Measuring National Income and Wealth
in Transition Economies**

**Session 1c: Construction and Use of Input-
Output Tables in Transition Economies**

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national
STATISTICS

Discussant

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national STATISTICS

Paper to be discussed

Assessment Study for the RAS Method based
on China's Input-Output Tables

by

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Assessment Study for the RAS Method based on China's Input-Output Tables
Overview

- Objective, structure and content of the paper

- Conclusions

- Issues

- Ideas for the way forward

Assessment Study for the RAS Method based on China's Input-Output Tables
Objective, structure and content of the paper

Objective(s)
– Accuracy of rAs method applied to producing I-O Tables for China
– Where and how is the improvement in accuracy achieved?

How is this achieved?
– Analysis of real accuracy and upper limit accuracy
– Analysis of degree of freedom and updating error

Structure of the paper
– Concept and measure indicators
– Design basis of datasets for both approaches
– Results analyses
– Conclusion

Assessment Study for the RAS Method based on China's Input-Output Tables
Objective, structure and content of the paper

Content of the paper

Background
- NBS compiles I-O Tables every 5 years
- Published 2-3 years after the reference year of the table
- Need to improve timeliness of the tables
- Use of modelling techniques

Modified rAs versus standard rAs
- Modified more reliable than standard

Time and data frame used
- 1992 and 1997
- Key role of China Statistical Yearbooks (CSY)
- 17 sectors for 'real accuracy & upper-limit accuracy'
- 18 sectors for 'degree of freedom and updating error'
- Linking I-O totals to CSY data
- Recognising differences and deficiencies

Assessment Study for the RAS Method based on China's Input-Output Tables
Conclusions

Conclusions

- Real accuracy and upper limit accuracy
  - Direct input coefficients for base year improves target year estimation compared to rAs

  - Error in the control values distributed uniformly

- Degree of freedom and updating error
  - Reduction of degree of freedom
    - Increase of pre-identified coefficients (with zero error)
    - Decrease overall error

  - Threshold effect of degree of freedom relationship
    - Accuracy of unknown coefficients
    - Number of pre-identified coefficients (at least 50%)

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Issues

Adjustment coefficients
- Fixed ratio assumption between I-O Table data and CSY data
- Output & GVA estimate based on these ratio's
- Intermediate consumption is a residual
- HHFCe does not reflect changes in consumer behaviour/patterns

Does not reflect standard error and variance of survey/source data

Use of SNA 93 terminology
- Minor issues, e.g. output, intermediate consumption

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Way forward

Develop:
– More analyses of year-on-year type
– Are the results credible?
– Economic reality test, impact on levels and growth rates
– Standard error and variance of survey/source data

Adjustment coefficients
– Fixed ratio assumption between I-O and CSY to be addressed
– Fixed structures between 1992 and 1997

Development of:
– Annual Supply and Use Tables and I-O Tables
– Both in current prices and previous years' prices

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Any Questions?

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UK I-O Web-page: www.statistics.gov.uk/inputoutput