

THE BEA INDUSTRY ACCOUNTS

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Today's Program

- **BEA plans to improve the Industry Accounts:**
 - ✓ **Integrate the Industry Accounts;**
 - ✓ **Accelerate their release;**
 - ✓ **Improve links to the National Income and Product Accounts (NIPA's);**
 - ✓ **Describe role of Benchmark Input-Output Accounts for integration, acceleration, and improvements.**
 - ✓ **Get feedback from the Advisory Committee.**
- **Census data collection program that is critical to achieving BEA goals.**

BEA Accounts

- **BEA uses the expenditures and income approaches to estimate the GDP**
- **BEA also produces three sets of Industry Accounts:**
 - ✓ **Benchmark I-O Accounts (483 commodities, 491 industries)**
 - ✓ **Annual I-O Accounts (94 industries, 97 commodities)**
 - ✓ **GDP-by-Industry Accounts (66 industries)**

I-O Use Table

		INDUSTRIES										FINAL USES (GDP)							TOTAL COMMODITY OUTPUT
		Agriculture	Mining	Construction	Manufacturing	Transportation	Trade	Finance	Services	Other	Total Intermediate Use	PCE	PFI	CBI	X	M	GOV1	GDP	
C O M M O D I T I E S	Agriculture																		
	Minerals																		
	Construction																		
	Manufacturing																		
	Transportation																		
	Trade																		
	Finance																		
	Services																		
	Other																		
	Noncomparable imports																		
Total Intermediate inputs																			
VALUE ADDED	COMP																		
	IBT																		
	Other value added																		
	Total																		
TOTAL INDUSTRY OUTPUT																			
											GDP							Gross output	

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COMMODITIES	Agriculture																		
	Minerals																		
	Construction																		
	Manufacturing																		
	Transportation																		
	Trade																		
	Finance																		
	Services																		
	Other																		
	Noncomparable imports																		
	Total Intermediate inputs																		
VALUE ADDED	COMP																		GDI
	IBT																		
	Other value added																		
	Total																		
TOTAL INDUSTRY OUTPUT																			Gross output
											GDP								

Other Countries' Accounts

- **International guidelines (SNA) recommend full integration of the industry, income and expenditures estimates in a consistent conceptual framework such as the I-O Accounts.**
- **Other countries follow international guidelines, and produce integrated, consistent industry estimates.**
 - ✓ **At the expense of timeliness and accuracy because of lack of data.**

Timeliness and Quality of the Accounts

- **The U.S. uses the expenditures and income approaches to make maximum use of timely, high quality economic indicators.**
- **The U.S. uses the most complete economic data available to estimate the Benchmark I-O Accounts.**
 - ✓ **These accounts are based on actual data collected by the Economic Censuses every 5 years.**
 - ✓ **These accounts are used to set levels of GDP and separate final demand from intermediate inputs in the benchmark year.**
 - ✓ **They provide a standard of data quality higher than available in most other countries.**

Data Quality Issues

- **Data from Census are not complete.**
- **Gross output data are from Census.**
 - ✓ **About 90-95 percent coverage.**
- **For intermediate inputs data from Census, coverage is about 30 percent.**
BEA uses other data sources:
 - ✓ **Trade associations**
 - ✓ **Other government data**
 - ✓ **Corporate data**

Timeliness/Accuracy/ Consistency

- **BEA focused on the expenditures and income approaches to provide timely, high-quality estimates**
- **BEA under invested in its Industry Accounts resulting in:**
 - ✓ **Less timely accounts, cessation of some accounts, and reduced accuracy of our estimates.**
 - ✓ **Inconsistencies among the Industry, Regional, and National Accounts.**

Accomplishments: 1993-2003

- **Reestablished the annual GDP-by-Industry Accounts (1993).**
- **Accelerated production of the Benchmark I-O Accounts (1994 and 1997).**
- **Reestablished the capital flow tables (1998).**
- **Reestablished the Annual I-O Accounts (1999).**
- **Introduced double deflation for all industries in GDP-by-Industry Accounts (2000).**
- **Released 1997 Benchmark I-O Accounts with 5-year lag (2002).**
- **Accelerated release of GDP-by-Industry Accounts (2002).**

Challenges for Next Five Years

- Integration: Improving consistency among the accounts.
- Timeliness and Relevance: Accelerating the accounts.
- Accuracy: Improving estimates.
- Time Series Consistency: I-O Accounts and GDP-by-Industry Accounts.

This Morning's Topics and Presenters

- **Options for integrating the Annual Industry Accounts**
 - ✓ **Brian Moyer**
- **Benchmark I-O Accounts: Context for integration and acceleration**
 - ✓ **Ann Lawson and Ted Morgan**
- **Options for accelerating the Annual I-O Accounts**
 - ✓ **Mark Planting**