

# INPUT-OUTPUT TABLE FOR INDIA 1963\*

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## *Notes*

THE input-output table is a very convenient means of combining a huge mass of heterogeneous statistical data into a coherent whole such that the structural relationships underlying the economy can be analysed. The table has three constituents viz. intersectoral transactions; final demand vectors, and value added row.

### *Inter Sectoral Transactions*

The economy is divided into a number of sectors, and the flows during a particular period of time between the sectors are represented by a two-way table. A row of the table gives the distribution of a sector's output over various consuming industries and a column of the table gives the inputs into that sector from various other sectors. Such a description of the volume of transactions gives the structural interrelationships in the economy. The structural interrelationships can also be described by means of a matrix of input coefficients where each column of the matrix shows the inputs drawn from the other sectors for a unit of output of the sector represented by that column.

To put it formally, the transactions of the  $n$  sectors of the economy can be shown by means of a matrix with elements  $X_{ij}$  ( $i, j=1, 2, \dots, n$ ). The element  $X_{ij}$  shows the amount of  $i$ th sector's output consumed by the  $j$ th sector. Assuming constant returns to scale the coefficient matrix  $A$  can be derived from the transactions matrix

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