

Structural Comparisons through Input-Output (I-O) Tables Over Time

M.R. Saluja and Bhupesh Yadav

There have been a number of studies comparing the economic structure of the economy. The comparisons are done by comparing the changes in sector-wise outputs resulting from (i) Using the same final demand on different I-O tables (Technology effect) and (ii) Changing the final demand and keeping the same I-O table (Demand effect). For some studies even the individual input coefficients have been compared. These comparisons can be effectively done if the sources for the data and methodology of construction of tables are the same. However, there are problems in making a such analysis

At an interval of about five years, the base for National Accounts Statistics is revised. With the revision of the base some changes are made in the estimates leading to huge differences. They are not because of a structural change but the change in output by adding new areas of production. Once this change is made, the revised output has to be adjusted in the row of the sector.

With the availability of recent data or changes of data source with each changing series, the estimates differ. For the series with the base 2011-2012, for manufacturing, the concepts have changed from registered and unregistered to organized and unorganized manufacturing. In fact, the CSO has already constructed supply-use tables for the years 20011-2012 and 2012-2013 by using estimates compiled for the new series of estimation of GDP (2011-2012 base). There are huge differences in the value of output and GVA in case of a number of sectors for the year 2011-2012 for both the series. We have analysed the effects of such changes on the supply use table constructed by CSO for the year 2012-2013.

I Introduction

There have been a number of studies comparing the structures of economies by making use of I-O tables. The comparisons are done by comparing the changes in sector-wise outputs because of (i) using the same final demand on different I-O tables (Technology effect) and (ii) by changing the final demand and keeping the same I-O Table (Demand effect). For some studies, even the individual input

M.R. Saluja, Distinguished Fellow, India Development Foundation, 101, DLF Phase IV, Sushant Lok - I, B Block, Gurgaon 122002, Haryana, Email: msaluja@idfresearch.org

Bhupesh Yadav, Fellow, India Development Foundation, 101, DLF Phase IV, Sushant Lok - I, B Block, Gurgaon 122002, Haryana, Email: byadav@idfresearch.org