THE BEA INDUSTRY ACCOUNTS

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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

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<tr>
<th>Commodities</th>
<th>Agriculture</th>
<th>Mining</th>
<th>Construction</th>
<th>Manufacturing</th>
<th>Transportation</th>
<th>Trade</th>
<th>Finance</th>
<th>Services</th>
<th>Other</th>
<th>Total Intermediate Use</th>
<th>Final Uses (GDP)</th>
<th>Total Commodity Output</th>
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| Total Industry Output |                  |        |              |               |                |       |         |          |       |                        |                  |                        |

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<th>Commodity</th>
<th>GDP</th>
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**Note:**
- GDP stands for Gross Domestic Product.
- The table above represents a summary of the input-output analysis, detailing the flows of production and consumption across various sectors.
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<th>Total Intermediate Use</th>
<th>PCE</th>
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**GDP**

**Gross output**
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 capital flow tables (1998).
Challenges for Next Five Years

- **Integration**: Improving consistency among the accounts.
- **Timeliness and Relevance**: Accelerating the accounts.
- **Accuracy**: Improving estimates.
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