

Manual adjustment of inputs to industry-targets

December 2014



Adjustment of input to input-targets

1. Make sure that there is no need to change the target value. Otherwise wait until a better target is available.
2. Mark the column and extract it from the SUT.
3. Verify that inputs conform with common sense.
4. Notice if some products seem to be missing from the inputs.
5. Compare the values in purchaser's prices with the value in the "Primary Statistics" field.



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Extracted input-column

Manufacture of textiles										
Industry 17 Interim.com	Product	Trans	Indus	BasicPrice	Wholesale	Retail mrg	Taxes net	Pur.ex.VAT	VAT	Correction
Raw vegetable materials, n.e.c.	01990	2000	17	4.663	290	0	1.029	5.990	61	6.051
Electrical energy	17100	2000	17	1.610	0	0	0	1.610	55	1.634
Natural water	18000	2000	17	169	0	0	0	169	0	169
Yarn and thread, woven and knitted fabrics	20000	2000	17	21.574	778	0	161	22.513	229	22.774
Textile articles other than apparel	21000	2000	17	525	10	0	1	535	5	540
Knitted or crocheted fabrics, wearing apparel	28000	2000	17	2	0	0	0	2	0	2
Luggage, handbags and the like	32000	2000	17	0	0	0	0	0	0	0
Wood, sawn, shaped, fluted, etc.	31100	2000	17	11	0	0	0	11	2	13
Pulp, paper and paperboard	32100	2000	17	249	7	0	3	259	3	262
Other printed matter, types, plates, etc.	32200	2000	17	31	7	0	1	38	0	38
Motor spirit (gasoline), including avia	33100	2000	17	1.684	0	0	49	1.596	0	1.596
Petroleum and medium oil, gas, etc.	33200	2000	17	14	0	0	3	23	0	23
Basic chemicals	34100	2000	17	65	1	0	0	66	1	67
Plastics in primary forms	34110	2000	17	6.553	15	0	30	6.598	50	6.648
Plastics and articles and related prod	34120	2000	17	8	0	0	0	8	0	8
Pharmaceutical products	35200	2000	17	10.765	416	0	23	11.204	28	11.233
Soap, cleaning preparations, perfum	35300	2000	17	49	3	0	1	54	1	57
Chemical products n.e.c.	35900	2000	17	3.962	48	0	51	4.062	29	4.121
Rubber and plastics products	36000	2000	17	519	5	0	6	530	7	537
Glass and glass products	37100	2000	17	4	0	0	0	4	1	5
Non-structural ceramic ware	37200	2000	17	2	0	0	0	2	0	2
Other manufactured articles n.e.c.	38000	2000	17	679	0	0	111	797	0	805
Basic iron and steel	41100	2000	17	33	0	0	0	33	3	36
Copper, nickel, aluminum, alloys	41400	2000	17	4	0	0	0	4	0	4
Fabricated metal products, except m	42100	2000	17	2.840	86	0	83	2.923	72	2.995
Special purpose machinery and part	44100	2000	17	458	25	0	6	487	4	495
Residential buildings	52110	2000	17	0	0	0	0	0	0	0
Repair and maintenance of buildings	54100	2000	17	72	0	0	0	72	0	72



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If total input is too big:

- Look for improbable inputs. Determine if they can be moved to other uses.
- Look for products with purchaser's value greater than the "Prim.Stat" field. Determine if they can be moved to other uses.
- Surplus input should preferably be moved to:
 - Industries that obviously need this product as input.
 - Final uses: Household consumption or GFCF.
 - Input in construction or wholesale and retail trade. These inputs are adjusted at the end of the balancing process.



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Correction examples:

Raw vegetable materials, n.e.c.										
Input for 3.5 m.J.D is removed from industry 17 and added to industry 36 as a new input.										
Product: 01990 Use: Manufacture of textiles	Product	Trans	Indus	BasicPrice	Wholesale	Retail mrg	Taxes net	Pur.ex.VAT	VAT	Prim.Stat
Manuf. furniture, manuf. n.e.c.	01990	2000	17	2.551	3.950					
	01990	2000	36							
Yarn and thread, woven and knitted textile fabrics										
65 m.J.D imports is moved to this product from product 20000. It is assumed that this is raw materials used in an enterprise found in an industrial zone that was not included in the initial figures.										
Product: 20000 Supply: Imports	Product	Trans	Indus	BasicPrice	Wholesale	Retail mrg	Taxes net	Pur.ex.VAT	VAT	Prim.Stat
Manuf. wearing apparel, fur	20000	2000	19	89.479						84.132
	20000	2000	19							
Knitted or crocheted fabrics, wearing apparel										
65 m.J.D imports is moved from this product to product 20000, see note to this product.										
Household consumption is lowered accordingly. It is still much higher than the HES based estimate.										
Product: 20000 Supply: Imports	Product	Trans	Indus	BasicPrice	Wholesale	Retail mrg	Taxes net	Pur.ex.VAT	VAT	Prim.Stat
Clothing and footwear	20000	2000	03	389.199						370.170
	20000	2000	03							
Plastics in primary forms										
Input in industry 17 is reduced to be closer to the original value										
Product: 34700 Use: Manufacture of textiles	Product	Trans	Indus	BasicPrice	Wholesale	Retail mrg	Taxes net	Pur.ex.VAT	VAT	Prim.Stat
Manuf. chemicals, chem.products	34700	2000	24	6.440	23.574					6.505
	34700	2000	24							20.943



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Correction formulas:

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If total input is too small:

- Look for missing inputs. Determine if they can be moved from other uses.
- Look for products with purchaser's value less than the "Prim.Stat" field. Determine if they can be moved from other uses.
- input should preferably be moved from:
 - Industries that obviously has too much input of this product.
 - Final uses: Household consumption or GFCF.
 - Input in wholesale and retail trade or construction. These inputs are adjusted at the end of the balancing process.



Supply should – in general – not be changed.

Supply should only be changed in exceptional cases:

- When it must be assumed that some supply has been coded incorrectly. In such cases supply can be removed from one product and added to another within the same column. The column totals in basic prices should not be changed.
- If uses cannot be lowered to the value from the supply side and there is no reason to believe that this can be explained by incorrect coding (see above) an additional – informal – production may be added. This solution should only be used where the existence of informal production is credible.



Uses that should not be affected by balancing.

- Imports and exports should only be corrected when errors are detected.
- Government consumption is fully predetermined and should always equal the share of government production that is not sales revenue.
- Changes in inventories should usually not be changed. If there is reason to change the value of an inventory change of a product, a similar change in purchaser's prices **with opposite sign** should be entered for another product in the same kind of inventory. Column totals in purchaser's prices for inventory changes should not be changed.



Exception: Changes in "Special" inventories.

- If the only credible explanation to a balancing problem is, that a change in inventories is missing from the initial estimates, a change can be inserted in the column for "Special" inventories. This should only be used as a last resort.



Acceptable distances to targets

- In most cases it is sufficient to bring column totals within a distance from the target value of 5 to 10 m.JD. depending on the size of the target value.
- When targets are small it is recommended to bring the distance below 10 % of the target value.
- The residuals that are left by the manual adjustments can usually be removed by automatic methods without damage to the input structure.



Complex rearrangements of several inputs.

- Inputs in service industries of service products have been changed considerably as the composition of supply was different from the composition of initial uses of the same products.
- Adjustment to supply may have changed the sum of such inputs in a number of industries. In these cases it may not be feasible to adjust the inputs manually.
- In such cases it is possible to rearrange the group of inputs automatically using the secret button's "RAS-area" adjustment.

