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Rules for balancing

## General rules

When balancing, there are many different aspects to consider and take into account, but there are some general rules:

* Only save values that you want to change, the rest should be removed from your correction or given a \*, this also applies to zeros.
* Make sure you only divert from targets for production, import, export or changes in inventory if you a sure of your correction. If you have a correction to the total value for production, import, export or changes in inventory, make sure that you also change the targets to avoid confusion.
* Changes to the supply are made in basic prices and changes to the use are made in purchasers’ prices.

## Source data

Go back to source data

Going back to the source data can sometimes be useful and it can help you to see:

* What kind of product it is; some product characteristics.
* If the product have been mixed with another product, e.g. coded as one product for the supply and as another in the export or household consumption.
* If there is any mistakes done when transforming the data to NA-codes.
* If there is any other problems with the source data

It’s important to know the strengths and weaknesses of your source data, so that you know which information the most reliable or where there is information is missing.

CPC – NA-products

The products in the SUT are aggregated and it’s not always possible to get a good idea of the product by just reading the NA-product code and text. It might be more helpful to look at the correspondence table with the detailed cpc-codes instead, to get an idea whether the product should go to intermediate consumption, household consumption and or treated as GFCF (gross fixed capital formation). E.g. product 44800 Domestic appliances and parts thereof sounds like something that mainly goes to household consumption, but looking at cpc-codes shows that the product also covers things like stove, central heating boilers and freezers etc., products that also are invested in the industries.

## Adjusting the supply for national uses

Sometimes you need to move between products, so that the national supply increase or decrease.

Moving production

Production can be moved between different products as long as they are produced in the same industry and the sum of the industries total production is unchanged.

Import

Sometimes it’s necessary to move import from one product to another. Imports are always changed in basic price and it’s important to make sure that the total import is not changed and that you move between products that are goods or products that are services.

Export

Exports are always changed in purchasers’ price; goods can have different margins so a correction in basic price will normally lead to a change in the total value for exports that are in purchasers’ price. It’s important that the changes are made to the same type of product (to goods or to services).

## Adjusting the national use

Use available information

Use available information and common sense when adjusting the use in the SUT. What are the products characteristics, is it a product that mainly are used in intermediate consumption and in what kind of industries, is it something that are used in gross fixed capital formation or is it typically household consumption. And remember that adjustments on the use side are always made in purchasers’ price.

No information

If you have no information on where to put the excess supply, is it better to adjust all the uses (intermediate consumption, household consumption and GFCF or at least some of them e.g. only intermediate consumption) proportionally as a start. This can later be altered during the balancing but will insure that strange input-structures are not made by mistake. It’s important not to add the whole extra supply to the producing industry, as this will give strange coefficients in input-output tables.

Changes in inventory

The distribution on products for changes on inventory is not predetermined and may be altered during the balancing. But the total value for changes in inventory is given and may not be changed during the balancing. This means that a change in inventory must be offset by another correction so that the total value is not changed.

## Price layers

The different price layers (wholesale margin, retail margin, tax and VAT) are made with initial estimates. The price layers are calculated with formulas and the values changes during the balancing. The formulas and percentage used to calculate the price layers in the SUT can be changed during the balancing; the best thing is to make these changes direct to the SUT and not as corrections to the SUT.

Trade margins

The initial trade margins are made from a rough estimate and can be changed during the balancing procedure. Margins might be missing, which means that a default margin should be added to column FP in wholesale or retail or the default margins is wrong and needs to be changed (also in column FP). Changes to trade margins should be changed direct in the SUT and not be made as corrections saved to the SUT. There is a risk that later balancing will create odd margins or that the correction is overruled with formulas, if the change is saved in the SUT as values.

Tax

The product distribution in the bridge-column for tax can be changed (column BL in sheet tax) can be altered if there is new information during the balancing. But it’s important that the total value for taxes and subsidies are kept.

VAT

The values in VAT are based on VAT-rates in the sheet “VATrates”. Changes to VAT-rates should be made in the sheet VATrates and not as corrections saved to the SUT.