



North American Product Classification System and the Economic Census

Implications for BEA

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Industry Economic Accounts

- Framework for following the flow of goods and services produced and used inside the U.S. economy
- Provides 3 views of GDP
 - Production approach (Value Added)
 - Income approach (GDI)
 - Expenditure approach (GDP)
- Balanced into one set of integrated accounts
 - Input – Output accounts
 - GDP by Industry accounts

Industry Economic Accounts

- Input-Output (I-O) accounts
 - Track who produces what and who uses what in production or as final use
- GDP by Industry accounts
 - Provide a breakdown of an industry's value added to overall GDP growth

Make table

		COMMODITIES						Total Industry Output
		Mining and Construction	Manufacturing	Trade and Transportation	Utilities	Finance, Insurance, and Real Estate	Other	
INDUSTRIES	Mining and Construction							Total Industry Output
	Manufacturing							
	Trade and Transportation							
	Utilities							
	Finance, Insurance, and Real Estate							
	Other							
Total Commodity Output		Total Commodity Output						

Use Table

		INDUSTRIES						FINAL USES					Total Commodity Output and Value Added
		Mining and Construction	Manufacturing	Trade and Transportation	Utilities	Finance, Insurance, and Real Estate	Other	Personal Consumption Expenditure	Private Fixed Investment	Change in Private Inventories	Net Exports	Government Consumption and Investment	
COMMODITIES	Mining and Construction	<ul style="list-style-type: none"> • Census data on production expense by type and by industry • Detailed every 5 years from Economic Census, BES and SAS • Rest left to balancing process 						<ul style="list-style-type: none"> • Benchmark levels set based on commodity flow, class of customer data, type of product (consumer or business) • Exports and imports derived from U.S. Balance of Payments 					
	Manufacturing												
	Trade and Transportation												
	Utilities												
	Finance, Insurance, and Real Estate												
	Other												
VALUE ADDED	Compensation	<p>For Gross Operating Surplus:</p> <ul style="list-style-type: none"> • Benchmark levels are quality weighted reconciliation of GO – II and NIPA GDI-based estimates. 						/					
	Taxes on Production and Imports												
	Gross Operating Surplus												
Total Industry Output and Final Uses													

NAPCS Implementation Positives

- Consistency across sectors
 - Enhanced data comparability via NAPCS metadata
 - Detailed product production by industry maintained
 - Uniform tabulation of “where-ever” made product data

- BEA efficiency gains
 - Systems re-engineering
 - Consistent coding scheme
 - Streamlines concordance procedures

BEA Concerns

- Breaks in time-series: measurement inconsistencies
 - Output
 - Inconsistencies between PPI and output measures impact measures of real values
- Secondary product matrices for Manufacturing and Mining industries
 - Loss of secondary output detail
 - Loss of range data for suppressions
 - Need to bridge current vs. proposed tabulations
- Merchandise trade data
 - Need to bridge harmonized codes to NAPCS

Future Collaboration

- Census Bureau
 - Manufacturing Construction Division: secondary product comparability – tabulate under old and new frameworks
 - Foreign Trade Division: harmonized code and product code concordance
 - Annual programs- SAS, ASM, etc.

- BLS
 - Establish business rules to ensure consistency in output and price measures