

## **METHODOLOGICAL NOTES**

The general conceptual framework of Supply and Use tables in Bulgaria has been elaborated and improved in compliance with internationally adopted methodological principles and standards of the European System of National and Regional Accounts, (ESA1995, before 2010 and ESA 2010 from 2010 onwards) – a Eurostat editions and of the System of National Accounts, (SNA '93, before 2010 and SNA 2008 from 2010 onwards) – a collaboration of the UN, OECD, Eurostat, IMF and the World Bank.

The Supply and Use Tables are constructed as an integrated part of the annual National Accounts and present in a final and balanced version the economical categories in the composition of GDP, structured in details by groups of products and services, types of production activities, types of categories of final consumption. They are elaborated on the base of ESA95 and ESA2010 concepts and definitions treating the transactions, the economic individuals and the classificatory principles of statistical units' grouping as they are applied in elsewhere in the system of national accounts.

### **Classifications**

Flows of goods and services in the economic system of Bulgaria are described in the "Supply - Use" balanced tables and are structured by industries and product groups based on national classifications consistent with the classification standards of the EU in force at the relevant year:

- Classification of Economic Activities
- Classification of Products by Economic Activities
- Nomenclature of Industrial Production (PRODCOM.BG);
- Nomenclature of agriculture, forestry and fishing products (PRODAGRO);
- Classification of Individual Consumption According to Purpose (COICOP);
- Classification of the Functions of Government (COFOG);

- Classification of the Purposes of Non-Profit Institutions Serving Households (COPNI).

### **Data sources**

- Annual statistical reports on revenues and expenditure, including statistical annexes;
- PRODPROM survey - production and sales of industrial goods, covered units with production of industrial goods;
- Annual reports on the production and sales of energy products;
- Receipts of construction enterprises by type of construction activity;
- Receipts from sales of the wholesale and retail traders by commodity groups;
- National energy balance;
- Material balances prepared annually for main products for intermediate use in main production activities;
- Economic accounts for agriculture and balances of agricultural production (in quantity and value);
- Annual statistical report for employment and labour cost;
- Sample statistical surveys for description of economic behaviour concerning particular units within the institutional frame of the economic system:
  - Household budget survey;
  - Business statistics surveys and business tendency surveys;
  - Surveys of private agricultural farms.
- Annual account statements:
  - Annual report of non-financial enterprises;
  - Annual report of non-profit institutions;
  - Annual report for bank institutions;
  - Annual report of insurance companies and pension funds;

- Annual report of other financial intermediaries.
- Administrative data and balance works:
  - Incorporated statement of government budget execution;
  - Customs information;
  - Tax information;
  - Balance of payments.

### **Disaggregation**

Tables before 2008 present the flows of goods and services disaggregated to 60 products and 60 industries.

Tables from 2008 onward present the flows of goods and services disaggregated to 64 products according to Classification of Products by Economic Activities (CPEA-2008, for international use CPA.BG-2008) and 64 industries according to Classification of Economic Activities (CEA-2008, for international use NACE.BG-2008).

The total resource of goods and services, domestically produced and imported, is distributed in the Use table as intermediate consumption by industries and products equal to those of the Supply table and by type of categories of final use.

### **Supply Table**

Supply table shows at detailed level the resource of goods and services, produced by resident units at the economic territory, which are grouped into industries and sub-industries, according to their principal activity. Each row of the table presents all industries, producers of a certain group of commodities and services and each column shows the products and services, produced by the economic units, which are classified into given industry. So the main matrix diagonal identifies the primary

production activity of the industries as a result of the principal activity of the enterprises and organizations, according to which they are classified by industries. The secondary production is allocated outside of the main diagonal. In the same way, Imports are classified by products. Adding both components, production and imports, gives the total resources of goods and services.

In the Supply table, the flows of goods and services are valued at basic prices, i.e. at prices before levying the taxes on products and deducting the subsidies on products. Two additional columns are added in order to transform the Supply from basic prices to purchasers' prices:

- Trade and transport margins, allocated by products;
- Taxes on products, less subsidies on products, allocated by products.

### **Use Table**

Use table shows the use of goods and services from all economical units, which are classified according to their main activity as industries, or treated as final consumption categories. The row and column totals of the Use matrix, for commodity and industry respectively, are exactly equal to those of the Supply table. The following sub-matrices are distinguished:

- Matrix of intermediate consumption – shows the use of total resource of products and services (domestically produced and import) as intermediate consumption by industries, classified in the same manner as in the Supply Table;
- Matrix of final consumption – presented categories of final demand:
  - Final consumption:
    - Final consumption expenditure by households;
    - Final consumption expenditure by non-profit organizations serving households (NPISH);
    - Final consumption expenditure by government.

- Capital formation:
  - Gross fixed capital formation;
  - Changes in valuables;
  - Changes in inventories.
- Exports
- Matrix of primary inputs which indicates value added and components (the compensation of employees, other taxes less subsidies on production, consumption of fixed capital and net operating surplus) by industries.

In the Use table, the flows of goods and services are valued at purchasers' prices.

In accordance with Council Regulation (EC) No 448/98 and Commission Regulation (EC) No 1889/2002 the financial intermediation services indirectly measured are allocated to categories of demand - intermediate consumption by industries and categories of final use.