

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

Social and Economic
Statistics Administration

BUREAU OF
ECONOMIC ANALYSIS

FOR RELEASE 10:00 A.M. WEDNESDAY, SEPTEMBER 25, 1974

Philip M. Ritz: 523-0683
Eugene P. Roberts: 523-0703

BEA 74-70

DETAILED INDUSTRY DATA
FOR INPUT-OUTPUT ANALYSIS

The detailed input-output tables for the United States for 1967 are now available. Input-output is an economic tool which can be used to show how a change in demand for or supply of a given industry's product affects all other industries and the total economy.

These detailed tables on the 1967 input-output study have been published by the Bureau of Economic Analysis, an agency of the Social and Economic Statistics Administration of the U.S. Department of Commerce. These tables, published in three volumes, Input-Output Structure of the U.S. Economy: 1967, show for 367 industries the dollar value of annual sales by each industry to all industries and to GNP final demand sectors, the direct requirements coefficients relating each industry's purchases to its total production, and the total requirements coefficients relating each industry's production to every other industry's sales to final demand.

Applications of input-output analysis include evaluating the sales potential of an individual firm and probing the implications of broad economic programs. The major contribution of input-output analysis is that it permits measurement of all the industrial repercussions of changes in demand.



This can be illustrated by considering effects of current energy shortages. The shortage of oil for the production of electric energy will result in an increase in the use of coal by electric utilities. This increase in demand will lead in the first instance to an increase in the output of coal. However, there will be further impacts. The increase in the output of the coal industry will result in the need for more explosives and steel products, which in turn will require more basic chemicals, more coal, more petroleum products, more plastics materials and rubber, and more iron ore. There will be even further effects; for instance, the increased production of basic chemicals will require more chemical minerals, more steel, more nonferrous metals, and still more coal.

These are only a few of the industrial repercussions resulting from the initial changes in the increased use of coal by the electric utilities. Input-output analysis traces this intricate chain reaction throughout the entire industrial structure and measures the effects of all the demand, both direct and indirect, on the output of every industry.

The industry outputs derived in this way can be used for estimating related requirements. For example, with supplementary data, the estimated output of each industry can be translated into requirements for employment.

Supplemented by information on the geographic distribution of industries, input-output analysis can also shed light on the regional implications of changes in the GNP.

Input-output is also useful in cost/price analysis. The input-output relationships shown in the table provide information on the cost/price structure of each industry and permit the measurement of the direct and indirect impact on each industry of price changes occurring in any given industry. For example, if the price of crude oil or coal is expected to rise, the impacts upon costs to other industries can be traced by use of the input-output tables. If one were to assume complete pass-through of these costs and also the increased cost of purchasing industries, one can trace total industry price effects by use of the total requirements table (volume 3 of the set).

The three volumes are available from any Commerce Department District Office or from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. The prices are:

- Volume 1 - Transactions Data for Detailed Industries, \$3.25
(Catalog No. C56.109/A:EC7/2/967/V-1)
- Volume 2 - Direct Requirements for Detailed Industries, \$3.15
(Catalog No. C56.109/A:EC7/2/967/V-2)
- Volume 3 - Total Requirements for Detailed Industries, \$3.15
(Catalog No. C56.109/A:EC7/2/967/V-3)

Specify the volumes desired and indicate the catalog number and the major title, Input-Output Structure of the U.S. Economy: 1967. Make check payable to the Superintendent of Documents.