

The Dutch business production network dataset

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Why supply chain networks data matter



A firm level production network dataset

Statistics Netherlands has developed a basic dataset on "intermediate transactions" at the individual business level:

- Top down method based on disaggregating Input/output table data from National Accounts, using
 - Supply and use tables
 - Microdata (SBR, SBS/prodcom, VAT-turnover)
 - Observed relations for 350 large companies
 - A link prediction method based on assortativity, industry, geographical distance and commodity group



Overview of the method (1)

Basic idea:

1) link potential suppliers and users at the level of 650 individual commodities using all the information we have and 2) make the results consistent with the Input/output tables from National Accounts (level of 250 commodities).

For each industry and commodity:

- Start: the firms with annual turnover >10.000 euro
- Estimate supply and use per firm in the SBS sample
- Estimate supply and use for the other firms



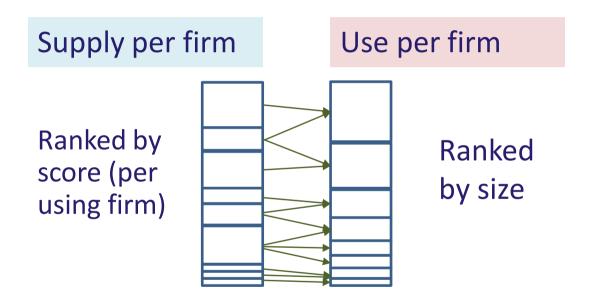
Overview of the method (2)

For each commodity:

- Estimate the number of users and suppliers per firm
- Start with observed supplier-user-links (D&B dataset)
- Predict missing supplier-user-links using location, size and NACE-code (matching procedure)
- Estimate the weight of each transaction
- Calibrate the weights with the Input/output tables (marginals and interior structure)



Matching process for 'missing links'



Continu estimating connections until the market for this commodity is cleared



Current status of the dataset

- Currently a version for 2018
- > 1.1 million firms (annual turnover >10.000 euro)
- > 14.8 million links (firm x firm x commodity group)
- ➤ 250 commodity groups
- > Fully consistent with IO-tables per commodity group
- > Available in microdata RA research environment
- Currently already being used for PhD-research





Experimental dataset (1)

- > It's a 'beta product' that still needs to be improved
- Some known problems:
 - Contains 'self 'loops' that shouldn't be there
 - For the smallest firms links may not be accurate (e.g. because of thresholds used)
- > Data for larger firms are better than for smaller ones
- ➤ In general: the 'binary structure' seems more plausible than the weights



Experimental dataset (2)

- What you can do: study e.g.
 - Shock propagation
 - Supply chains
 - Communities, functional modules
- What you cannot do with it: study e.g.
 - Network formation
 - Degree distributions

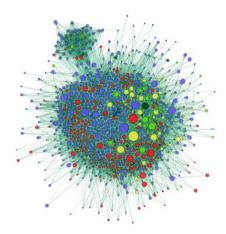


Ongoing R&D at CBS

- Develop relevant quality measures
- Improve the method and resulting quality
- Develop publications and analysis tools
- Enhance domestic supplier and user dataset with links with foreign firms (imports and exports) and with employees
- Add further metadata and develop relevant classifications (e.g. 'type of value added to supply chains' by firms)



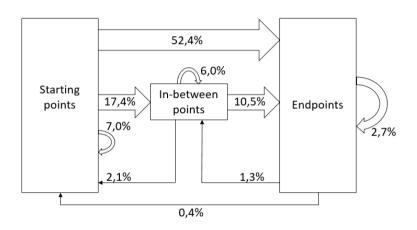
The Belgian production network



Notes: Network giant connected component (2014). Firms with turnover ≥ 100 mln euro. Node size proportional to sales value. Manufacturing, Services, Utilities, Construction, Other.

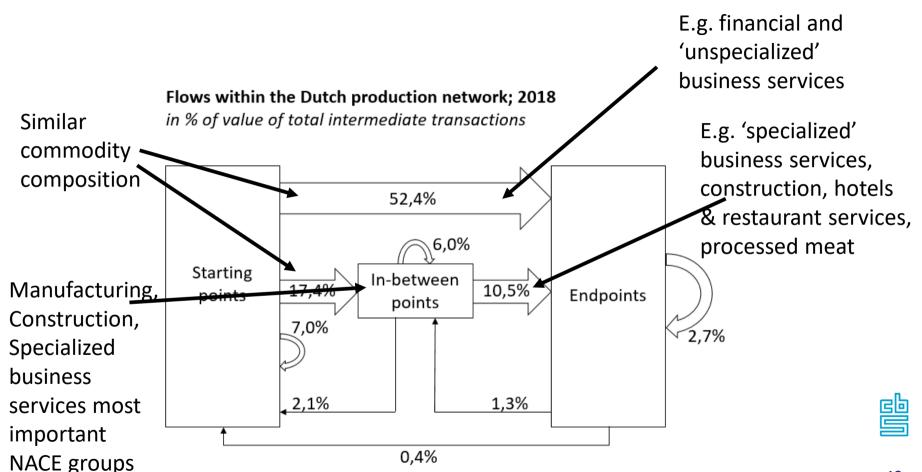
Flows within the Dutch production network; 2018

in % of value of total intermediate transactions

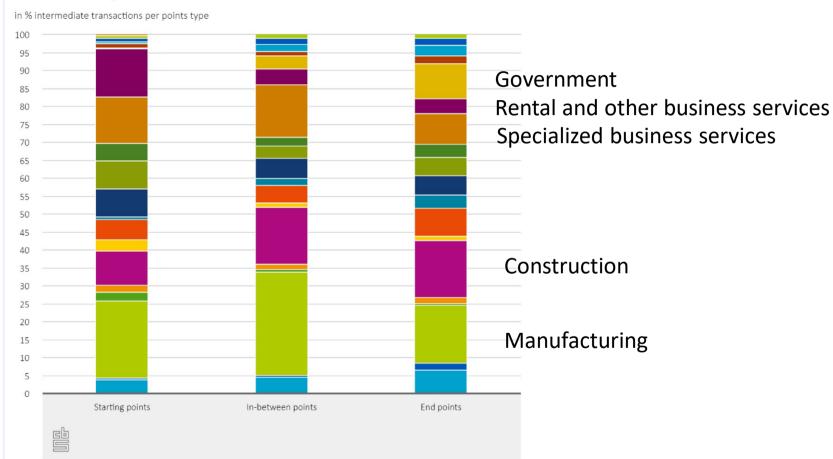


Add structure with metadata models





Share of industries in intermediate transactions starting, inbetween and endpoints; 2018

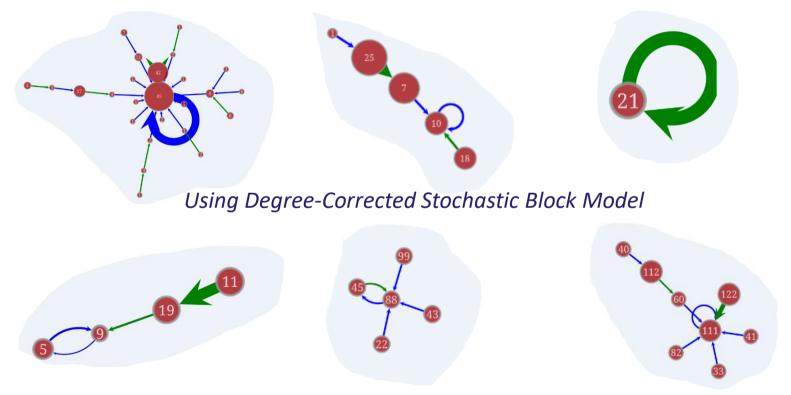




Flows between fund	ctional groups	and size classes	(in Persons En	nployed)				
In % of total interme	ediairy transac	tions						
		Intermediary use by						
Intermediary		Starting points		In-between points		Endpoints		Total
supply by		0-49 PE	>= 50 PE	0-49 PE	>= 50 PE	0-49 PE	>= 50 PE	
Starting points	0-49 PE	4,7	0,9	11,2	2,8	22,3	17,2	59,2
	>= 50 PE	0,5	0,9	1,3	2,1	5,1	7,8	17,7
In-between points	0-49 PE	1,6	0,2	4,3	0,6	5,4	2,0	14,1
	>= 50 PE	0,2	0,2	0,5	0,6	1,5	1,6	4,6
Endpoints	0-49 PE	0,3	0,0	0,8	0,1	1,2	0,7	3,0
	>= 50 PE	0,1	0,0	0,3	0,1	0,6	0,5	1,7
Total		7,3	2,3	18,4	6,3	36,1	29,9	



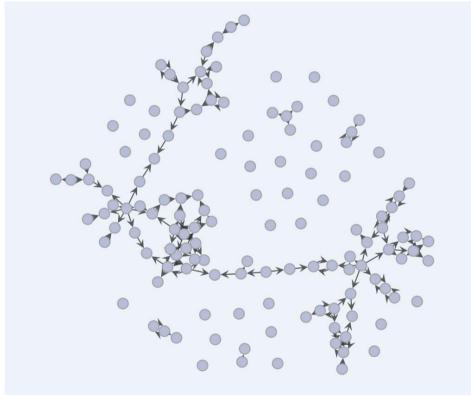
Examples of detected 'chain structures' (1)





Ongoing research by Martijn Gösgens (PhD-student TU Eindhoven)

Examples of detected 'chain structures' (2)

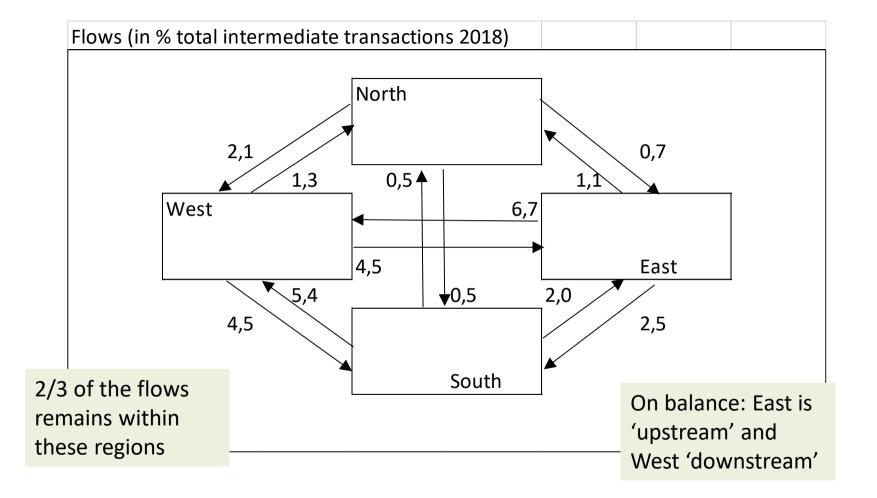




Connected 'open triangles' without an up to downstream flow

Conceptually somewhere in between a community (=closed triangles) and a chain (=one way flow)

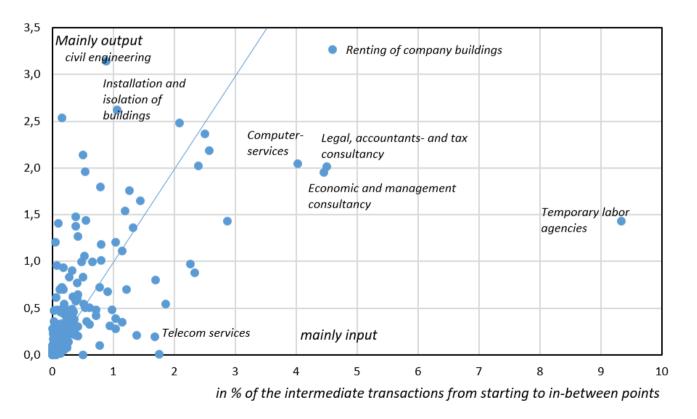






Comparison commodity structure of flows from starting points to inbetween points with flows from in-between points to end points

in % of the intermediate transactions from in-between to end points



International collaboration

- An international research community on supply chain network research has been emerging since last year, Statistics Netherlands is part of it
- ➤ We collaborate e.g.
 - ➤ With the CSH Vienna on the Economic Systemic Risk Index and heterogeneity of industries
 - ➤ In testing the approach developed at IIASA on reintegrating trade flows into input/output tables



Dataset available in CBS RA-environment





Other economic RA microdatasets e.g.

- Statistical Business Register (ABR)
- Production statistics
- VAT turnover data (BTW)
- International trade in goods
- Energy use
- Employment
- **>**

Everything with 'BE-number' can be linked to the dataset



