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Title: DIRECT AND INDIRECT GENERATION OF WASTE IN THE SPANISH PAPER INDUSTRY

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# **DIRECT AND INDIRECT GENERATION OF WASTE IN THE SPANISH PAPER INDUSTRY**

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## **DIRECT AND INDIRECT GENERATION OF WASTE IN THE SPANISH PAPER INDUSTRY**

### **Abstract**

The paper industry has a relatively high degree of reliance on suppliers when compared to other industries. Exploring the role of the paper industry in terms of consumption of intermediate inputs from other industries may help to understand how the production of paper does not only generate waste by itself but also affects the amount of waste generated by other industries. The product Life Cycle Assessment (LCA) is a useful analytical tool to examine and assess environmental impacts over the entire life cycle of a product “from cradle to grave” but it is costly and time intensive. In contrast, Economic Input Output Life Cycle Assessment Models (IO-LCA) that combine LCA with Input-Output analysis (IO) are more accurate and less expensive, as they employ publicly available data. This paper represents one of the first Spanish studies aimed at estimating the waste generated in the production of paper by applying IO-LCA. One of the major benefits is the derivation of the contribution of direct and indirect suppliers to the paper industry. The results obtained show that there was no direct relationship between the impact on output and the impact on waste generation exerted by the paper industry. The major contributors to waste generation were the mining industry and the forestry industry.

### **Keywords**

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Suppliers

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## **1. Introduction**

Spain is the sixth leading paper producing industry in Europe. In 2010 its total output was 7.4 million tonnes, with a monetary value of 3.4 billion euro (CEPI, 2012). The output of this industry does not only satisfy the final demand from individual consumers (households, public sector, etc.) but it is also distributed among the industries of the economy (intermediate demand). From an economic perspective the final demand shows the consumption patterns of an economy (consumption, investment, government expenditures and exports) while the intermediate demand consists of the purchases from other industries. The intermediate demand reflects the fact that all industries are interdependent: each industry employs the output of other industries as inputs (or intermediate consumptions) in its production process while other industries are users of its output in their production processes.

According to the Spanish National Statistics Institute (INE, 2009a) the intermediate demand for the paper industry in Spain was superior to 11 billion euro while the final demand was less than 3 billion euro. This reveals that most of the demand for the paper industry comes from other industries that employ its products as inputs.

Table 1 shows the production structure of the Spanish paper industry and the average for the total of Spanish industries in 2005. The first three rows show the amount of total, domestic and imported intermediate consumptions, that is, the amount outputs from other industries employed as intermediate inputs by the paper industry, distinguishing between those produced domestically and those imported.

Insert Table 1 about here

The proportion of intermediate consumptions in total output considerably exceeds the national average (72% in comparison to 54%) thereby confirming that one the main characteristics of the Spanish paper industry is its high share of intermediate inputs (Del Río González, 2005). In addition, the paper industry relies more intensively of imported intermediate consumptions than the average (35% of the intermediate consumptions were imported in comparison with a national average less than 19%). The comparison of the importance of imports and exports in total supply reveals that the paper industry is more opened than the average (the shares of exports and imports in total supply more than twice exceed the national average).

As noted before, the production of paper requires intermediate inputs from a wide range of industries. Any change in the demand for the paper industry will exert an impact on other industries directly and indirectly. Thus, when the output of the paper industry increases, the use of direct inputs from other industries grows, which in turn increase their output. The increase in the output of these industries will expand their needs of inputs from other industries and so forth, resulting in a multiplier effect in the output of all industries.

But is the environmental impact associated with this multiplier desirable? It is clear that a higher use of intermediate inputs will imply increases in output to satisfy a growing intermediate demand, but the volume of waste generated throughout the production processes will grow (Berglund et al., 2002). We have to note, however, that the Spanish paper industry is the second larger paper recycling industry in Europe, second only to Germany (ASPAPPEL, 2009; CEPI, 2012). Process models, such as the product Life Cycle Assessment (LCA), have been employed to analyse this issue (for a systematic review of existing LCAs on paper and cardboard waste see Villanueva and Henzel, 2007). But these models are expensive, require much time and introduce many uncertainties. An alternative

are Economic Input Output Life Cycle Assessment Models (IO-LCA) that combine LCA with Input-Output analysis (IO), as they are more accurate and less expensive (Nakamura and Kondo, 2002). In this study we apply an IO-LCA model to estimate the amount of waste directly and indirectly generated by the suppliers of the Spanish paper industry in 2005.

## **2. Methodology**

The product Life Cycle Assessment (LCA) is a useful analytical tool to examine and assess environmental impacts over the entire life cycle of a product “from cradle to grave”. It involves tracing the main stages over the life cycle of a product, including raw materials extraction, manufacturing, product use, recycling and final disposal (Joshi, 2000). It requires a rigorous examination of the energy consumption and of the materials used, co-products, by-products, etc., as well as an analysis of the environmental burdens associated with each stage in the life cycle of the product. Several methodological frameworks have been introduced to implement LCA, such as those by the *Society of Environmental Toxicology and Chemistry* (SETAC), the *U.S. Environmental Protection Agency* (EPA) or the *International Organization for Standardization* (ISO).

One of the major advantages of these models is their simplicity. They consider the entire life cycle of the products, examine in detail each stage and identify weaknesses, threats, strengths and opportunities which allows for both environmental improvements and economic benefits (Huijbregts et al., 2008; Karmperis et al., 2013). But, in spite of being a powerful tool, the LCA models have some disadvantages like problems of truncation (Hawkins, 2007), problems of comparability caused by the use of different simplifying assumptions by different analysts (Karmperis et al., 2013) or the fact that "require a large

investment of time and resources due to the volume of data required, as they are not readily available and might even be confidential" (De la Rúa Lope, 2009). Moreover, it can be argued that LCA has traditionally not been subjected to public involvement (Morrissey and Browne, 2004).

Based on the environmental input-output analysis (IO) developed by Leontief in the 70s (Leontief, 1970), hybrid models combining process analysis with input-output analysis have been developed. During the 1990s, the Carnegie Mellon University introduced a new methodology presented as a complementary analysis to process models ([www.eiolca.net](http://www.eiolca.net)). This methodology combines the product life cycle analysis with the input-output analysis (IO-LCA) to trace the supply chain impacts of the production processes both in monetary terms and in environmental terms. Since then the IO-LCA model has been broadly used (Costello et al., 2011; Hawkins, 2007; Hawkins et al., 2007; Hendrickson et al, 1998; Hendrickson et al, 2006; Joshi, 2000; Suh, 2004; Suh et al., 2004).

Among its advantages, we have to note that this model requires less detailed data than process models, that is, it is less time intensive and costly. Additionally, the data required are published by government agencies, ensuring data transparency and reliability. This avoids problems of replication that appear when confidential data are used. Moreover, IO-LCA does not require a subjective setting of system boundaries (AENOR, 2006a and AENOR, 2006b). In addition, the IO-LCA takes into account all inter-industry relations, providing a real view of the production system of a good or service (Hendrickson, et al., 2006). However, there are also disadvantages. For instance, product assessment contains aggregate data which makes process assessment difficult and the environmental burdens associated with product use and end-of-life options are not included (Joshi, 2000). Other disadvantages are related to the hypotheses employed in IO analysis (Miller, 2009). Firstly,

the technology and the economic structure used to produce imported goods and services are assumed to be the same as those to produce domestic goods and services, which are not true in open economies (Peters and Hertwich, 2006; Suh, 2004). Secondly, monetary values have to be transformed into physical units (Hendrickson et al., 2006; Hoekstra and van den Bergh, 2006; Nakamura et al., 2007).

Table 2 provides a summary of the main advantages and disadvantages of LCA and IO-LCA models.

Insert Table 2 about here

### **2.1. The Economic Input-Output Life Cycle Assessment Model (IO-LCA).**

Input-output analysis is widely recognized in economic analysis as a useful framework where the interdependencies across different industries of the economy are represented by a set of linear equations.

Figure 1 shows the structure of an input-output table. Each element  $x_{ij}$  represents the intermediate inputs required from industry  $i$  to produce output of industry  $j$ . In the input-output table the columns sum of  $x_{ij}$  represents the total amount of intermediate inputs from other industries employed in the production process. Value added ( $V_j$ ) is the difference between total output and intermediate inputs. The total output of each industry ( $X_i$ ) can also be obtained as the rows sum of the intermediate inputs sold to other industries (or intermediate demand) and the final demand ( $y_i$ ). The gross domestic product ( $GDP$ ) is the sum of all final demands.

Insert Figure 1 about here



As can be seen, a given industry  $n$  requires intermediate inputs from other industries to produce. We can distinguish between those who supply directly the industry, called direct suppliers, and those that do not directly supply the industry but are suppliers to the suppliers of industry  $n$ , referred to as indirect suppliers of first level, second level, and so on. Thus, the group of suppliers that serve an industry creates a sequence of suppliers called *supply chain*. The production of a particular good or service will generate a multiplier effect that will not only affect that industry's direct suppliers, but also involve the indirect suppliers. Depending on the complexity of the good or service concerned, the multiplier effect will affect more or less economic industries. For example, vehicle manufacturing requires so many suppliers that directly or indirectly it may affect the entire economy (Hendrickson et al. 2006).

In an economy with  $n$  industries, we can define the technical coefficients matrix ( $A$ ).  $A$  is a square  $n \times n$  matrix that represents the intermediate inputs that each industry requires from the others to produce. An element  $a_{ij}$  of matrix  $A$  is obtained by dividing element  $x_{ij}$  of the input-output table by the total output  $X_j$  and shows the value of intermediate inputs required from industry  $i$  to produce one unit output of industry  $j$ . Above, we defined total output of industry  $i$  ( $X_i$ ) as the sum of the intermediate demand and the final demand. Therefore, in an economy with  $n$  industries, the total output of industry  $i$  can be obtained as follows:

$$x_{i1} + x_{i2} + \dots + x_{in} + y_i = X_i \quad (1)$$

As technical coefficients are obtained by dividing intermediate inputs by total output, equation (1) can be written as follows:

$$a_{ij} = x_{ij} / X_j \Rightarrow x_{ij} = a_{ij} X_j \quad (2)$$

$$a_{i1} X_1 + a_{i2} X_2 + \dots + a_{in} X_n + y_i = X_i \quad (3)$$

and in matrix form:

$$AX + y = X \quad (4)$$

where  $A$  is the technical coefficients matrix,  $X$  is an output column vector and  $y$  is the desired final demand. From equation (4) we can obtain vector  $X$  and express it as follows:

$$X = (I + A + A \cdot A + A \cdot A \cdot A + \dots)y \quad (5)$$

In equation (5)  $Iy$  represents the requirements associated to the desired final demand;  $(I+A)y$  shows the contribution of the first-level or direct suppliers;  $(I+A+A^2)y$  represents the contribution of second-level suppliers and so on. Equation (5) can be rewritten as follows:

$$X = (I - A)^{-1} y \quad (6)$$

In equation (6),  $X$  takes into account all supplier levels,  $I$  is the  $n \times n$  identity matrix,  $A$  is the technical coefficients matrix and  $y$  is the desired demand. Matrix  $(I-A)^{-1}$  is a square  $n \times n$  matrix called the Leontief inverse matrix. Each element of this matrix represents the direct and indirect intermediate inputs requirements per unit of final demand. Equation (6) is the

base for the demand model and shows how requirements of intermediate inputs change to satisfy a given final demand. In other words, equation (6) represents the multiplier effect that the production of a good or a service has on the total economy as it takes into account all the elements of the supply chain.

Using these equivalences the output required from the direct suppliers to produce a given good or service can be obtained as follows:

$$X = (I + A)y \quad (7)$$

and the output from the indirect suppliers can be obtained as:

$$X = \left[ (I - A)^{-1} - (I + A) \right] y \quad (8)$$

Once the demand model has been developed and the equations for obtaining the multiplier effect has been specified, it is necessary to modify the model to estimate the waste generation. The original extended model (Hendrickson et al. 1998; Hendrickson et al. 2006) defines a vector of environmental output. In our study  $b$  will be waste generation vectors that capture how the multiplier effect of the paper industry affects the generation of waste its total suppliers (9), direct suppliers (equation 10) and indirect suppliers (equation 11):

$$b = RX = R(I - A)^{-1} y \quad (9)$$

$$b = R(I + A)y \quad (10)$$

$$b = R \left[ (I - A)^{-1} - (I + A) \right] y \quad (11)$$

where  $R$  is a square  $n \times n$  matrix with diagonal elements that represents the waste generation at each stage per euro of output.

Figure 2 summarizes the relationships between the paper industry, its direct and indirect suppliers, and the generation of waste in our model.

Insert Figure 2 about here

### **3. Results and discussion.**

In order to carry out our analysis, we only need data from public sources which guarantees transparency and allows verification of the results. In particular, we employ the Spanish symmetric input output table for 2005 published by the INE (INE, 2009a) and data on waste from the *Survey on Waste Generation in the Industrial Sector 2005* (INE, 2010), the *Survey on Waste Generation in the Service Sector 2005* (INE, 2009b), the *Survey on Waste Generation in the Agriculture 2003-2006* (INE, 2009c) and the *Survey on Waste Generation in Fisheries 2004-2006* (INE, 2009d).

The symmetric input-output table published by the INE covers 73 products that we aggregate into 30 industries, as it is not possible to establish a one-to-one correspondence between products and activities. The symmetric input-output table employs the National Product Classification 2002 (CNP-2002). Each type of good or service distinguished by the CPN-2002 is defined so that it is normally produced by only one industry as defined in the National Classification of Economic Activities 1993 (CNAE-93) which is based on the

General Industrial Classification of Economic Activities within the European Communities (NACE rev. 2). The final group of industries analysed is reported in Table 3.

Insert Table 3 about here

In our analysis we employ the domestic technical coefficients matrix that shows intermediate inputs to domestic output. As was mentioned before, input-output models hypothesize that the technology and the economic structure used to produce imported goods and services are the same as those to produce domestic goods and services, which is not true in open economies. By using the domestic matrix we try to avoid potential biases in the results.

In the Appendix, Table A1 reports the Spanish domestic technical coefficients in 2005. Each element represents the value in euro of inputs produced in the domestic economy required from industry  $i$  to produce one unit output of industry  $j$ .

We also define the column vector  $y$  that represents the goods and services employed by the Spanish paper industry in 2005 to produce 11 billion euro.

Firstly, to apply our model, we need to compute the Leontief inverse matrix, reported in Table A2 of the Appendix. As can be noticed, the number of elements different from zero is very high in comparison with the technical coefficients matrix. This indicates that there are a high number of industries with a direct or indirect participation in the supply chain of the paper industry.

Secondly, equations 6, 7 and 8 are employed to compute the multiplier effect on the output of total (direct and indirect) suppliers. Table 4 reports the results.

Insert Table 4 about here

The output of the Spanish paper industry in 2005 was 11,188.3 million euro and had an impact on the total output of the economy of 8,681.6 million euro. From this total, 7,165.2 million euro corresponded to direct suppliers and 1,516.4 to indirect ones. As can be noticed, the interactions between suppliers give place to a multiplier effect, stronger for the direct suppliers and weaker for the indirect suppliers. Although the impact that the paper industry has on each indirect supplier may be small individually, taken as a whole they can be significant, because the number of industries implied is likely to be high. For example, the impact on other business activities (industry 25) was 965.8 million euro. Of this impact, 828 million euro corresponded to direct suppliers and 137.8 to indirect suppliers. A similar impact was shown by manufactures (industry 5): 964.1 million euro.

Once the multiplier effect on the suppliers of the paper industry is calculated, we estimate the amount of waste generated in 2005. We compute matrix  $R$  that represents the waste generated at each stage per euro of output.

The four surveys on waste generation employed covered more than 30 different types of waste. For a more comprehensive view of the waste generated, vectors  $b$  were computed for each type of waste by applying equations 9, 10 and 11, and the results obtained were aggregated to obtain the total amount of waste generated by each industry.

Figure 3 shows a first overview of the waste generated broken down by industries.

Insert Figure 3 about here

As can be noticed there is a high a concentration in waste generation. Two industries were the major generators of waste: mining of coal, lignite; extraction of pet (industry 4) and forestry logging and related services activities (industry 2). Together, they accounted for more than 50% of the total waste generated. The contribution of the industry of production and distribution of electricity (industry 13) also deserves attention.

More detailed data on waste generated by direct and indirect suppliers are provided in Table 5.

Insert Table 5 about here

The waste generated by the suppliers of the paper industry in 2005 amounted to 885 million tonnes. As was expected, most of waste was generated by direct suppliers (753 million tonnes, that is, 85%).

Broadly speaking, the economic sector that mainly contributed to waste generation was the primary sector (494 thousand tonnes, of which 407 were generated by direct suppliers), followed by the manufacturing sector (582 thousand tonnes). In contrast, the service sector generated 45 thousand tonnes, of which 44 arose from direct suppliers and only 8 from indirect suppliers.

It can be highlighted that the main contribution to waste generation from direct suppliers came from forestry, logging and related services activities (industry 2), with 219 thousand tonnes, followed by mining (industry 4), with 175.86 thousand tonnes. The industry of production and distribution of electricity (industry 13) ranked third.

Regarding the waste generated by indirect suppliers, we have to note, in addition to the contribution of the mining industry (industry 2), the waste generated by agriculture, livestock and hunting (industry 1) which ranked second.

#### **4. Conclusions**

This paper proposed a model that combined the LCA methodology with IO analysis to assess the waste generated by the direct and indirect suppliers of the Spanish paper industry in 2005.

It showed that the multiplier effect exerted by the paper industry does not only affect its direct suppliers but almost all domestic industries. As can be seen in the Leontief inverse matrix, almost all industries showed values different from zero, thereby confirming that the supply chain was fairly extensive. Given this extensive network of inter-industry linkages, it is interesting to examine not only the direct and indirect impact on production but also environmental impacts like waste generation.

Results show that the primary and manufacturing sectors were the major contributors to waste generation while, in comparison with these two sectors, the contribution of the service sector was fairly low.

A great degree of concentration was observed: only two industries: mining of coal, lignite; extraction of pet and forestry, logging and related services activities accounted for more than 50% of the total waste generated by the suppliers of the paper industry.

Moreover, there was no direct relationship between the impact on output and the impact on waste generation. Thus, two out of the three suppliers industries with a highest impact on output were service industries (other business activities and wholesale and commission trade).



This study presents some limitations like the assumptions on linearity of the production function or the existence of constant technical coefficients imposed in IO analysis. Moreover, it focuses on the amount of waste generated but it does not distinguish among waste types. It would be necessary to analyse, not only which industries generate more waste, but also which industries generate more hazardous waste, in order to more accurately assess the environmental impact associated with the multiplier effect exerted by the paper industry (Liang et al., 2011). In this vein, it would be interesting to widen the analysis and studying waste types containing paper (Villanueva and Eder, 2011). Thus, the main advantages of the model: it is easy to apply and based on data regularly published by public sources make it suitable for further analyses of the environmental impacts of the paper industry.

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25 **1. Introduction**

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44 industries employed as intermediate inputs by the paper industry, distinguishing between  
45 those produced domestically and those imported.

46  
47 Insert Table 1 about here  
48  
49

**Comment [B1]:** The terms "intermediate" and "final" were defined

**Comment [B2]:** The reference for the data was introduced

**Comment [B3]:** The sentence "increased demands come from other sectors" was rephrased

**Comment [B4]:** The sentence was rephrased to specify that the average refers to the total of the Spanish industries

50 The proportion of intermediate consumptions in total output considerably exceeds the  
51 national average (72% in comparison to 54%) thereby confirming that one the main  
52 characteristics of the Spanish paper industry is its high share of intermediate inputs (Del  
53 Río González, 2005). In addition, the paper industry relies more intensively of imported  
54 intermediate consumptions than the average (35% of the intermediate consumptions were  
55 imported in comparison with a national average less than 19%). The comparison of the  
56 importance of imports and exports in total supply reveals that the paper industry is more  
57 opened than the average (the shares of exports and imports in total supply more than twice  
58 exceed the national average).

59 As noted before, the production of paper requires intermediate inputs from a wide range of  
60 industries. Any change in the demand for the paper industry will exert an impact on other  
61 industries directly and indirectly. Thus, when the output of the paper industry increases, the  
62 use of direct inputs from other industries grows, which in turn increase their output. The  
63 increase in the output of these industries will expand their needs of inputs from other  
64 industries and so forth, resulting in a multiplier effect in the output of all industries.  
65 But is the environmental impact associated with this multiplier desirable? It is clear that a  
66 higher use of intermediate inputs will imply increases in output to satisfy a growing  
67 intermediate demand, but the volume of waste generated throughout the production  
68 processes will grow (Berglund et al., 2002). We have to note, however, that the Spanish  
69 paper industry is the second larger paper recycling industry in Europe, second only to  
70 Germany (ASPAPPEL, 2009; CEPI, 2012). Process models, such as the product Life Cycle  
71 Assessment (LCA), have been employed to analyse this issue (for a systematic review of  
72 existing LCAs on paper and cardboard waste see Villanueva and Henzel, 2007). But these  
73 models are expensive, require much time and introduce many uncertainties. An alternative

**Comment [B5]:** The sentence refers to the output of other industries used as intermediate inputs



74 are Economic Input Output Life Cycle Assessment Models (IO-LCA) that combine LCA  
75 with Input-Output analysis (IO), as they are more accurate and less expensive (Nakamura  
76 and Kondo, 2002). In this study we apply an IO-LCA model to estimate the amount of  
77 waste directly and indirectly generated by the suppliers of the Spanish paper industry in  
78 2005.

79

## 80 **2. Methodology**

81 The product Life Cycle Assessment (LCA) is a useful analytical tool to examine and assess  
82 environmental impacts over the entire life cycle of a product “from cradle to grave”. It  
83 involves tracing the main stages over the life cycle of a product, including raw materials  
84 extraction, manufacturing, product use, recycling and final disposal (Joshi, 2000). It  
85 requires a rigorous examination of the energy consumption and of the materials used, co-  
86 products, by-products, etc., as well as an analysis of the environmental burdens associated  
87 with each stage in the life cycle of the product. Several methodological frameworks have  
88 been introduced to implement LCA, such as those by the *Society of Environmental*  
89 *Toxicology and Chemistry* (SETAC), the *U.S. Environmental Protection Agency* (EPA) or  
90 the *International Organization for Standardization* (ISO).

91 One of the major advantages of these models is their simplicity. They consider the entire  
92 life cycle of the products, examine in detail each stage and identify weaknesses, threats,  
93 strengths and opportunities which allows for both environmental improvements and  
94 economic benefits (Huijbregts et al., 2008; Karmperis et al., 2013). But, in spite of being a  
95 powerful tool, the LCA models have some disadvantages like problems of truncation  
96 (Hawkins, 2007), problems of comparability caused by the use of different simplifying  
97 assumptions by different analysts (Karmperis et al., 2013) or the fact that "require a large

98 investment of time and resources due to the volume of data required, as they are not readily  
99 available and might even be confidential" (De la Rúa Lope, 2009). Moreover, it can be  
100 argued that LCA has traditionally not been subjected to public involvement (Morrissey and  
101 Browne, 2004).

102 Based on the environmental input-output analysis (IO) developed by Leontief in the 70s  
103 (Leontief, 1970), hybrid models combining process analysis with input-output analysis  
104 have been developed. During the 1990s, the Carnegie Mellon University introduced a new  
105 methodology presented as a complementary analysis to process models (www.eiolca.net).  
106 This methodology combines the product life cycle analysis with the input-output analysis  
107 (IO-LCA) to trace the supply chain impacts of the production processes both in monetary  
108 terms and in environmental terms. Since then the IO-LCA model has been broadly used  
109 (Costello et al., 2011; Hawkins, 2007; Hawkins et al., 2007; Hendrickson et al, 1998;  
110 Hendrickson et al, 2006; Joshi, 2000; Suh, 2004; Suh et al., 2004).

111 Among its advantages, we have to note that this model requires less detailed data than  
112 process models, that is, it is less time intensive and costly. Additionally, the data required  
113 are published by government agencies, ensuring data transparency and reliability. This  
114 avoids problems of replication that appear when confidential data are used. Moreover, IO-  
115 LCA does not require a subjective setting of system boundaries (AENOR, 2006a and  
116 AENOR, 2006b). In addition, the IO-LCA takes into account all inter-industry relations,  
117 providing a real view of the production system of a good or service (Hendrickson, et al.,  
118 2006). However, there are also disadvantages. For instance, product assessment contains  
119 aggregate data which makes process assessment difficult and the environmental burdens  
120 associated with product use and end-of-life options are not included (Joshi, 2000). Other  
121 disadvantages are related to the hypotheses employed in IO analysis (Miller, 2009). Firstly,

**Comment [B6]:** Table 2 has been modified and the contributions from Karmperis et al. (2013) and Morrissey and Browne (2004) are included in the table and cited in the main text.

122 the technology and the economic structure used to produce imported goods and services are  
123 assumed to be the same as those to produce domestic goods and services, which are not true  
124 in open economies (Peters and Hertwich, 2006; Suh, 2004). Secondly, monetary values  
125 have to be transformed into physical units (Hendrickson et al., 2006; Hoekstra and van den  
126 Bergh, 2006; Nakamura et al., 2007).

127 Table 2 provides a summary of the main advantages and disadvantages of LCA and IO-  
128 LCA models.

129  
130 Insert Table 2 about here

131

### 132 **2.1. The Economic Input-Output Life Cycle Assessment Model (IO-LCA).**

133 Input-output analysis is widely recognized in economic analysis as a useful framework  
134 where the interdependencies across different industries of the economy are represented by a  
135 set of linear equations.

136 Figure 1 shows the structure of an input-output table. Each element  $x_{ij}$  represents the  
137 intermediate inputs required from industry  $i$  to produce output of industry  $j$ . In the input-  
138 output table the columns sum of  $x_{ij}$  represents the total amount of intermediate inputs from  
139 other industries employed in the production process. Value added ( $V_j$ ) is the difference  
140 between total output and intermediate inputs. The total output of each industry ( $X_i$ ) can also  
141 be obtained as the rows sum of the intermediate inputs sold to other industries (or  
142 intermediate demand) and the final demand ( $y_i$ ). The gross domestic product ( $GDP$ ) is the  
143 sum of all final demands.

144

145 Insert Figure 1 about here

**Comment [B7]:** Table 3 was replaced by Figure 1 and the explanation of the structure of an input-output table was based on it.

**Comment [B8]:** A diagram summarizing the basic structure of an input-output table replaced "old" Table 3, more difficult to understand.

146 As can be seen, a given industry  $n$  requires intermediate inputs from other industries to  
147 produce. We can distinguish between those who supply directly the industry, called direct  
148 suppliers, and those that do not directly supply the industry but are suppliers to the  
149 suppliers of industry  $n$ , referred to as indirect suppliers of first level, second level, and so  
150 on. Thus, the group of suppliers that serve an industry creates a sequence of suppliers called  
151 *supply chain*. The production of a particular good or service will generate a multiplier  
152 effect that will not only affect that industry's direct suppliers, but also involve the indirect  
153 suppliers. Depending on the complexity of the good or service concerned, the multiplier  
154 effect will affect more or less economic industries. For example, vehicle manufacturing  
155 requires so many suppliers that directly or indirectly it may affect the entire economy  
156 (Hendrickson et al. 2006).

157 In an economy with  $n$  industries, we can define the technical coefficients matrix ( $A$ ).  $A$  is a  
158 square  $n \times n$  matrix that represents the intermediate inputs that each industry requires from  
159 the others to produce. An element  $a_{ij}$  of matrix  $A$  is obtained by dividing element  $x_{ij}$  of the  
160 input-output table by the total output  $X_j$  and shows the value of intermediate inputs required  
161 from industry  $i$  to produce one unit output of industry  $j$ . Above, we defined total output of  
162 industry  $i$  ( $X_i$ ) as the sum of the intermediate demand and the final demand. Therefore, in  
163 an economy with  $n$  industries, the total output of industry  $i$  can be obtained as follows:

164

$$165 \quad x_{i1} + x_{i2} + \dots + x_{in} + y_i = X_i \quad (1)$$

166

167 As technical coefficients are obtained by dividing intermediate inputs by total output,  
168 equation (1) can be written as follows:

169

$$a_{ij} = x_{ij} / X_j \Rightarrow x_{ij} = a_{ij} X_j \quad (2)$$

$$a_{i1} X_1 + a_{i2} X_2 + \dots + a_{in} X_n + y_i = X_i \quad (3)$$

172

173 and in matrix form:

$$AX + y = X \quad (4)$$

175

176 where  $A$  is the technical coefficients matrix,  $X$  is an output column vector and  $y$  is the  
177 desired final demand. From equation (4) we can obtain vector  $X$  and express it as follows:

178

$$X = (I + A + A \cdot A + A \cdot A \cdot A + \dots)y \quad (5)$$

180

181 In equation (5)  $Iy$  represents the requirements associated to the desired final demand;  
182  $(I+A)y$  shows the contribution of the first-level or direct suppliers;  $(I+A+A^2)y$  represents  
183 the contribution of second-level suppliers and so on. Equation (5) can be rewritten as  
184 follows:

185

$$X = (I - A)^{-1}y \quad (6)$$

187

188 In equation (6),  $X$  takes into account all supplier levels,  $I$  is the  $n \times n$  identity matrix,  $A$  is  
189 the technical coefficients matrix and  $y$  is the desired demand. Matrix  $(I-A)^{-1}$  is a square  $n \times n$   
190 matrix called the Leontief inverse matrix. Each element of this matrix represents the direct  
191 and indirect intermediate inputs requirements per unit of final demand. Equation (6) is the

192 base for the demand model and shows how requirements of intermediate inputs change to  
193 satisfy a given final demand. In other words, equation (6) represents the multiplier effect  
194 that the production of a good or a service has on the total economy as it takes into account  
195 all the elements of the supply chain.

196 Using these equivalences the output required from the direct suppliers to produce a given  
197 good or service can be obtained as follows:

198

$$199 \quad X = (I + A)y \quad (7)$$

200

201 and the output from the indirect suppliers can be obtained as:

202

$$203 \quad X = \left[ (I - A)^{-1} - (I + A) \right] y \quad (8)$$

204

205 Once the demand model has been developed and the equations for obtaining the multiplier  
206 effect has been specified, it is necessary to modify the model to estimate the waste  
207 generation. The original extended model (Hendrickson et al. 1998; Hendrickson et al. 2006)  
208 defines a vector of environmental output. In our study  $b$  will be waste generation vectors  
209 that capture how the multiplier effect of the paper industry affects the generation of waste  
210 its total suppliers (9), direct suppliers (equation 10) and indirect suppliers (equation 11):

211

$$212 \quad b = RX = R(I - A)^{-1}y \quad (9)$$

$$213 \quad b = R(I + A)y \quad (10)$$

$$214 \quad b = R \left[ (I - A)^{-1} - (I + A) \right] y \quad (11)$$

215

216 where  $R$  is a square  $n \times n$  matrix with diagonal elements that represents the waste  
217 generation at each stage per euro of output.

218 Figure 2 summarizes the relationships between the paper industry, its direct and indirect  
219 suppliers, and the generation of waste in our model.

220

221 Insert Figure 2 about here

222

223

224

### 225 3. Results and discussion.

226 In order to carry out our analysis, we only need data from public sources which guarantees  
227 transparency and allows verification of the results. In particular, we employ the Spanish  
228 symmetric input output table for 2005 published by the INE (INE, 2009a) and data on  
229 waste from the *Survey on Waste Generation in the Industrial Sector 2005* (INE, 2010), the  
230 *Survey on Waste Generation in the Service Sector 2005* (INE, 2009b), the *Survey on Waste*  
231 *Generation in the Agriculture 2003-2006* (INE, 2009c) and the *Survey on Waste*  
232 *Generation in Fisheries 2004-2006* (INE, 2009d).

233 The symmetric input-output table published by the INE covers 73 products that we  
234 aggregate into 30 industries, as it is not possible to establish a one-to-one correspondence  
235 between products and activities. The symmetric input-output table employs the National  
236 Product Classification 2002 (CNP-2002). Each type of good or service distinguished by the  
237 CPN-2002 is defined so that it is normally produced by only one industry as defined in the  
238 National Classification of Economic Activities 1993 (CNAE-93) which is based on the

**Comment [B9]:** A diagram showing the relationships between direct suppliers, indirect suppliers and waste generation was incorporated.

239 General Industrial Classification of Economic Activities within the European Communities

240 (NACE rev. 2). The final group of industries analysed is reported in Table 3.

241

242 Insert Table 3 about here

243

244 In our analysis we employ the domestic technical coefficients matrix that shows

245 intermediate inputs to domestic output. As was mentioned before, input-output models

246 hypothesize that the technology and the economic structure used to produce imported goods

247 and services are the same as those to produce domestic goods and services, which is not

248 true in open economies. By using the domestic matrix we try to avoid potential biases in the

249 results.

250 In the Appendix, Table A1 reports the Spanish domestic technical coefficients in 2005.

251 Each element represents the value in euro of inputs produced in the domestic economy

252 required from industry  $i$  to produce one unit output of industry  $j$ .

253 We also define the column vector  $y$  that represents the goods and services employed by the

254 Spanish paper industry in 2005 to produce 11 billion euro.

255 Firstly, to apply our model, we need to compute the Leontief inverse matrix, reported in

256 Table A2 of the Appendix. As can be noticed, the number of elements different from zero is

257 very high in comparison with the technical coefficients matrix. This indicates that there are

258 a high number of industries with a direct or indirect participation in the supply chain of the

259 paper industry.

260 Secondly, equations 6, 7 and 8 are employed to compute the multiplier effect on the output

261 of total (direct and indirect) suppliers. Table 4 reports the results.

262

**Comment [B10]:** Abbreviation "A" was removed

**Comment [B11]:** Tables A1 and A2 were merged in one sole table (Table 3) easier to interpret.

**Comment [B12]:** The domestic need refers to the demand from the national economy.

**Comment [B13]:** Abbreviation "A" was removed



263 Insert Table 4 about here

264

265 The output of the Spanish paper industry in 2005 was 11,188.3 million euro and had an  
266 impact on the total output of the economy of 8,681.6 million euro. From this total, 7,165.2  
267 million euro corresponded to direct suppliers and 1,516.4 to indirect ones. As can be  
268 noticed, the interactions between suppliers give place to a multiplier effect, stronger for the  
269 direct suppliers and weaker for the indirect suppliers. Although the impact that the paper  
270 industry has on each indirect supplier may be small individually, taken as a whole they can  
271 be significant, because the number of industries implied is likely to be high. For example,  
272 the impact on other business activities (industry 25) was 965.8 million euro. Of this impact,  
273 828 million euro corresponded to direct suppliers and 137.8 to indirect suppliers. A similar  
274 impact was shown by manufactures (industry 5): 964.1 million euro.

275

276 Once the multiplier effect on the suppliers of the paper industry is calculated, we estimate  
277 the amount of waste generated in 2005. We compute matrix  $R$  that represents the waste  
278 generated at each stage per euro of output.

279 The four surveys on waste generation employed covered more than 30 different types of  
280 waste. For a more comprehensive view of the waste generated, vectors  $b$  were computed for  
281 each type of waste by applying equations 9, 10 and 11, and the results obtained were  
282 aggregated to obtain the total amount of waste generated by each industry.

283 Figure 3 shows a first overview of the waste generated broken down by industries.

284

285 Insert Figure 3 about here

286

**Comment [B14]:** Comments on this table have been introduced.

287 As can be noticed there is a high a concentration in waste generation. Two industries were  
288 the major generators of waste: mining of coal, lignite; extraction of pet (industry 4) and  
289 forestry logging and related services activities (industry 2). Together, they accounted for  
290 more than 50% of the total waste generated. The contribution of the industry of production  
291 and distribution of electricity (industry 13) also deserves attention.

292 More detailed data on waste generated by direct and indirect suppliers are provided in

293 [Table 5](#).

294

295 Insert Table 5 about here

296

297 The waste generated by the suppliers of the paper industry in 2005 amounted to 885 million  
298 tonnes. As was expected, most of waste was generated by direct suppliers (753 million  
299 tonnes, that is, 85%).

300 Broadly speaking, the economic sector that mainly contributed to waste generation was the  
301 primary sector (494 thousand tonnes, of which 407 were generated by direct suppliers),  
302 followed by the manufacturing sector (582 thousand tonnes). In contrast, the service sector  
303 generated 45 thousand tonnes, of which 44 arose from direct suppliers and only 8 from  
304 indirect suppliers.

305 It can be highlighted that the main contribution to waste generation from direct suppliers  
306 came from forestry, logging and related services activities (industry 2), with 219 thousand  
307 tonnes, followed by mining (industry 4), with 175.86 thousand tonnes. The industry of  
308 production and distribution of electricity (industry 13) ranked third.

**Comment [B15]:** Abbreviation "A" was removed

309 Regarding the waste generated by indirect suppliers, we have to note, in addition to the  
310 contribution of the mining industry (industry 2), the waste generated by agriculture,  
311 livestock and hunting (industry 1) which ranked second.

312

#### 313 **4. Conclusions**

314 This paper proposed a model that combined the LCA methodology with IO analysis to  
315 assess the waste generated by the direct and indirect suppliers of the Spanish paper industry  
316 in 2005.

317 It showed that the multiplier effect exerted by the paper industry does not only affect its  
318 direct suppliers but almost all domestic industries. As can be seen in the Leontief inverse  
319 matrix, almost all industries showed values different from zero, thereby confirming that the  
320 supply chain was fairly extensive. Given this extensive network of inter-industry linkages,  
321 it is interesting to examine not only the direct and indirect impact on production but also  
322 environmental impacts like waste generation.

323 Results show that the primary and manufacturing sectors were the major contributors to  
324 waste generation while, in comparison with these two sectors, the contribution of the  
325 service sector was fairly low.

326 A great degree of concentration was observed: only two industries: mining of coal, lignite;  
327 extraction of pet and forestry, logging and related services activities accounted for more  
328 than 50% of the total waste generated by the suppliers of the paper industry.

329 Moreover, there was no direct relationship between the impact on output and the impact on  
330 waste generation. Thus, two out of the three suppliers industries with a highest impact on  
331 output were service industries (other business activities and wholesale and commission  
332 trade).

333 This study presents some limitations like the assumptions on linearity of the production  
334 function or the existence of constant technical coefficients imposed in IO analysis.  
335 Moreover, it focuses on the amount of waste generated but it does not distinguish among  
336 waste types. It would be necessary to analyse, not only which industries generate more  
337 waste, but also which industries generate more hazardous waste, in order to more  
338 accurately assess the environmental impact associated with the multiplier effect exerted by  
339 the paper industry (Liang et al., 2011). In this vein, it would be interesting to widen the  
340 analysis and studying waste types containing paper (Villanueva and Eder, 2011). Thus, the  
341 main advantages of the model: it is easy to apply and based on data regularly published by  
342 public sources make it suitable for further analyses of the environmental impacts of the  
343 paper industry.

**Comment [B16]:** The sentence was rephrased to highlight that the methodology applied in the paper can be improved and used for further analyses.

#### 345 **Acknowledgments**

346 The authors deeply appreciate the comments from two anonymous reviewers and the  
347 associate editor of Waste Management.

348

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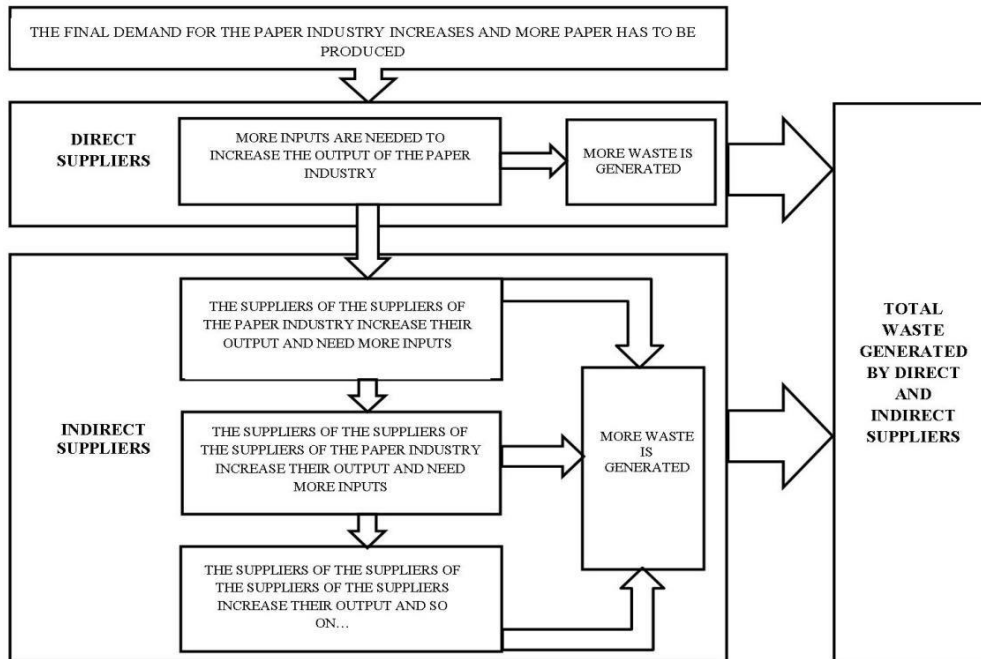


## **Highlights**

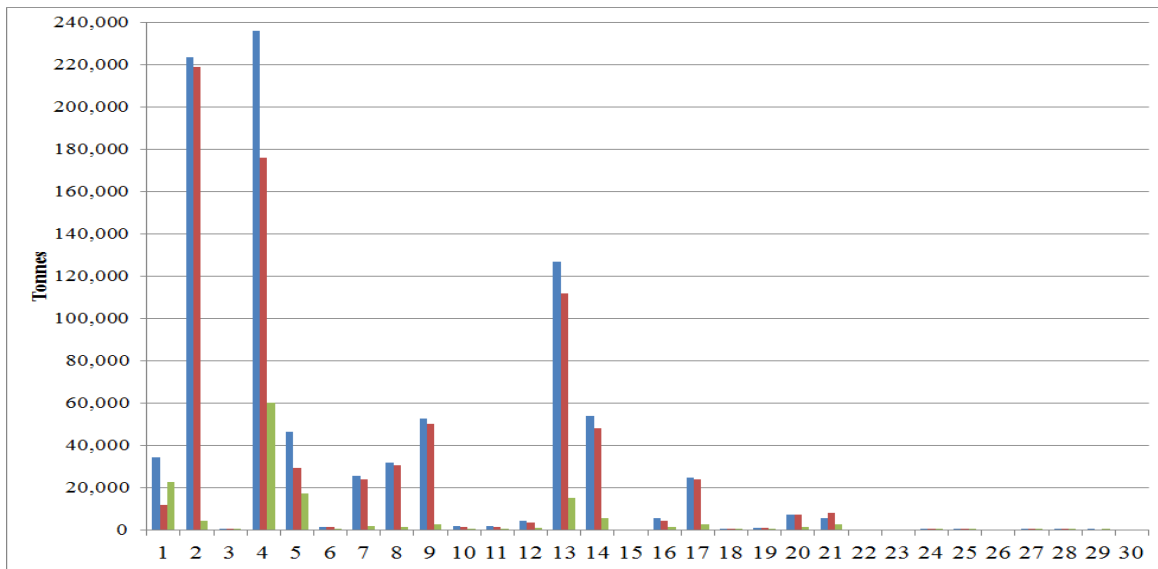
- The waste generated by the suppliers of the Spanish paper industry is estimated.
- An Economic Input Output Life Cycle Assessment Models (IO-LCA) is employed.
- No direct relationship between impact on output and on waste generation was found.
- The major contributors to waste generation were mining and forestry.

|                                  |  | DESTINATION OF OUTPUT   |                       |          |                       |          | INTERMEDIATE DEMAND   | FINAL DEMAND          | TOTAL OUTPUT          |          |          |
|----------------------------------|--|---|-----------------------|----------|-----------------------|----------|-----------------------|-----------------------|-----------------------|----------|----------|
| PRODUCTION STRUCTURE (OR INPUTS) | BY ROWS EACH ELEMENT REPRESENTS THE INTERMEDIATE INPUTS SOLD BY INDUSTRY <i>i</i> TO INDUSTRY <i>j</i> | BY COLUMNS EACH ELEMENT REPRESENTS THE INTERMEDIATE INPUTS FROM INDUSTRY <i>i</i> REQUIRED BY INDUSTRY <i>j</i> |                       |          |                       |          |                       |                       |                       |          |          |
|                                  |  | 1   | 2                     | ...      | <i>j</i>              | ...      | <i>n</i>              |                       |                       |          |          |
|                                  |  | 1   | $x_{11}$              | $x_{12}$ | ...                   | $x_{1j}$ | ...                   | $x_{1n}$              | $\sum_{j=1}^n x_{1j}$ | $y_1$    | $X_1$    |
|                                  |  | $\vdots$  | $\vdots$              | $\vdots$ | $\vdots$              | $\vdots$ | $\vdots$              | $\vdots$              | $\vdots$              | $\vdots$ | $\vdots$ |
|                                  | <i>i</i>   | $x_{i1}$  | $x_{i2}$              | ...      | $x_{ij}$              | ...      | $x_{in}$              | $\sum_{j=1}^n x_{ij}$ | $y_i$                 | $X_i$    |          |
|                                  | $\vdots$   | $\vdots$  | $\vdots$              | $\vdots$ | $\vdots$              | $\vdots$ | $\vdots$              | $\vdots$              | $\vdots$              | $\vdots$ |          |
|                                  |  | $x_{n1}$  | $x_{n2}$              | ...      | $x_{nj}$              | ...      | $x_{nn}$              | $\sum_{j=1}^n x_{nj}$ | $y_n$                 | $X_n$    |          |
|                                  | INTERMEDIATE INPUTS  | $\sum_{i=1}^n x_{i1}$   | $\sum_{i=1}^n x_{i2}$ | ...      | $\sum_{i=1}^n x_{ij}$ | ...      | $\sum_{i=1}^n x_{in}$ |                       |                       |          |          |
|                                  | VALUE ADDED  | $V_1$   | $V_2$                 | ...      | $V_j$                 | ...      | $V_n$                 |                       |                       |          |          |
|                                  | TOTAL OUTPUT   | $X_1$   | $X_2$                 | ...      | $X_j$                 | ...      | $X_n$                 |                       |                       |          |          |

Fig 1. Basic structure of an economic input-output table



**Fig 2.** Direct and indirect suppliers and total waste generation



**Fig 3.** Waste generated, directly and indirectly, by the suppliers of the Spanish paper industry in 2005.

(1) The numbers 1, 2, 3, etc., represent each industry as detailed in Table 2. (2) Blue bars represent the waste generated by total suppliers, red bars waste generated by the direct suppliers and green bars the waste generated by indirect suppliers.

**Table 1**  
Production structure of the Spanish paper industry, 2005 (millions of euro).

|  | Paper industry | National average |
|--|----------------|------------------|
| Intermediate consumption at purchaser's prices                   | 8,081.3        | 955,261          |
| Intermediate consumption from domestic production (basic prices) | 5,177.1        | 760,404          |
| Intermediate consumption from imports (basic prices)             | 2,855.1        | 177,313          |
| Compensation of employees  | 1,850.5        | 430,832          |
| Wages and salaries   | 1,427.0        | 334,418          |
| Social contributions   | 423.5          | 96,414           |
| Other net taxes on production                                    | 5.7            | 3,961            |
| Operating surplus/mixed income, gross                            | 1,250.8        | 378,983          |
| Gross Value Added at basic prices                                | 3,107.0        | 813,776          |
| Output at basic prices   | 11,188.3       | 1,769,037        |
| Imports (cif)  | 4,084.1        | 274,404          |
| Imports intra European Union                                     | 3,577.2        | 172,347          |
| Imports extra European Union                                     | 506.9          | 102,057          |
| Exports (fob)  | 2,798.7        | 197,811          |
| Exports intra European Union                                     | 2,181.9        | 140,890          |
| Exports extra European Union                                     | 616.8          | 56,921           |
| Total supply at basic prices                                     | 15,272.4       | 2,043,441        |

The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, by the producer as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer. The purchaser's price is the amount paid by the purchaser, excluding any VAT or similar tax deductible by the purchaser, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of goods includes any transport charges paid separately by the purchaser to take delivery at the required time and place.

**Table 2**

Advantages and disadvantages of LCA models and IO-LCA models.

|               | LCA  | IO-LCA   |
|---------------|--|--|
| Advantages    | Results are detailed, process specific<br>Allows for specific product comparisons<br>Identifies weaknesses, threats, strengths and opportunities   | Results are economy-wide<br>Allows for system-level comparisons<br>Uses publicly available data and results are reproducible<br>Provides information on every industry in the economy<br>Product assessments contain aggregate   |
| Disadvantages | Setting system boundaries is subjective<br><br>It tends to be time intensive and costly<br>It is difficult to apply to new process design<br><br>There are truncation problems<br><br>It cannot be replicated when confidential data are used<br><br>There are comparability problems<br><br>It has traditionally not been subjected to public involvement | data<br>Process assessments are difficult<br>Monetary values have to be transformed into physical units<br>Imports are treated as products created within economic boundaries<br>Environmental burdens associated with product use and end-of-life options are not included<br>It is difficult to apply to an open economy (with substantial non-comparable imports) |

Modified from Hendrickson et al. (2006, p. 25).

**Table 3**

Classification of industries.

| CNP-2002   | CNAE-93 | Number | Industry  |
|--|---------|--------|---|
| 1  | A       | 1      | Agriculture, livestock and hunting (except forestry, logging and related service activities)  |
| 2  | A       | 2      | Forestry, logging and related service activities  |
| 3  | B       | 3      | Fishing   |
| 4,5,6 y 7  | C       | 4      | Mining of coal and lignite; extraction of peat  |
| 8,12,13,14,15,16,18,<br>19,22,24,25,26,27,<br>28,29,30,32,33,34,35,<br>36, 37 y 38 | D       | 5      | Manufactures (except manufacture of textile, manufacture of wood and wood products, manufacture of pulp, paper and paper products, manufacture of chemicals and chemical products, manufacture of machinery and equipment n.e.c. and recycling) |
| 17   | D       | 6      | Manufacture of textile  |
| 20   | D       | 7      | Manufacture of Wood and wood products   |
| 21   | D       | 8      | Manufacture of pulp, paper and paper products   |
| 23   | D       | 9      | Manufacture of chemicals and chemical products  |
| 31   | D       | 10     | Manufacture of machinery and equipment n.e.c.   |
| 39   | D       | 11     | Recycling   |
| 11   | E       | 12     | Collection, purification and distribution of water  |
| 9  | E       | 13     | Production and distribution of electricity  |
| 10   | E       | 14     | Manufacture of gas; distribution of gaseous fuels through mains; steam and hot water supply   |
| 40   | F       | 15     | Construction  |
| 41 y 43  | G       | 16     | Retail trade; repair of personal and household goods and Sale and retail of motor vehicles; retail sale of automotive fuel  |
| 42   | G       | 17     | Wholesale trade and commission trade  |
| 44 y 45  | H       | 18     | Hotel industry  |
| 46,48,49,50, 51 y 52   | I       | 19     | Transports except other land transport; transport via pipelines; and Support and auxiliary transport activities   |
| 47   | I       | 20     | Other land transport; transport via pipelines   |
| 50   | I       | 21     | Support and auxiliary transport activities  |
| 54 y 55  | J       | 22     | Insurance and pension funding, except compulsory social security and Auxiliary activities to financial intermediation   |
| 53   | J       | 23     | Financial intermediation  |
| 56, 57, 58 y 59  | K       | 24     | Real estate activities; Renting of machinery, personal and household goods; Computer and related activities; Research and development, except Other business activities   |
| 60   | K       | 25     | Other business activities   |
| 67   | L       | 26     | Public Administration   |
| 61 y 68  | M       | 27     | Education   |
| 62 y 69  | N       | 28     | Health and social work  |
| 63,64,65,66,<br>70,71 y 72   | O       | 29     | Other social work and services to the community   |
| 73   | P       | 30     | Private households with employed person   |

**Table 4**

Multiplier effect on the output of total, direct and indirect suppliers of the Spanish paper industry, 2005 (millions of euro).

| Industry | Total suppliers | Direct suppliers | Indirect suppliers | Industry | Total suppliers | Direct suppliers | Indirect suppliers |
|----------|-----------------|------------------|--------------------|----------|-----------------|------------------|--------------------|
| 1        | 69.7            | 24.0             | 45.8               | 16       | 165.9           | 126.3            | 39.6               |
| 2        | 455.2           | 446.5            | 8.6                | 17       | 669.5           | 599.7            | 69.8               |
| 3        | 1.1             | 0.3              | 0.9                | 18       | 43.7            | 30.0             | 13.8               |
| 4        | 45.9            | 34.2             | 11.7               | 19       | 281.2           | 202.6            | 78.7               |
| 5        | 964.1           | 606.4            | 357.7              | 20       | 641.5           | 548.3            | 93.1               |
| 6        | 139.1           | 124.8            | 14.4               | 21       | 434.1           | 326.2            | 107.9              |
| 7        | 458.6           | 424.5            | 34.1               | 22       | 75.5            | 50.3             | 25.1               |
| 8        | 529.0           | 508.6            | 20.4               | 23       | 187.7           | 143.7            | 44.0               |
| 9        | 642.4           | 613.2            | 29.2               | 24       | 334.1           | 237.1            | 97.1               |
| 10       | 124.6           | 101.4            | 23.2               | 25       | 965.8           | 828.0            | 137.8              |
| 11       | 149.5           | 139.4            | 10.2               | 26       | 0.0             | 0.0              | 0.0                |
| 12       | 23.0            | 17.7             | 5.3                | 27       | 26.5            | 21.5             | 5.1                |
| 13       | 660.5           | 582.4            | 78.1               | 28       | 16.9            | 10.2             | 6.7                |
| 14       | 279.6           | 250.3            | 29.3               | 29       | 0.1             | 0.0              | 0.1                |
| 15       | 296.9           | 168.0            | 129.0              | 30       | 0.0             | 0.0              | 0.0                |
|          |                 |                  |                    | Total    | 8,681.6         | 7,165.2          | 1,516.4            |



**Table 5.**

Waste generated by total, direct and indirect suppliers of the Spanish paper industry, 2005  
(thousands of tonnes).

| Industry | Total suppliers | Direct suppliers | Indirect suppliers | Industry | Total suppliers | Direct suppliers | Indirect suppliers |
|----------|-----------------|------------------|--------------------|----------|-----------------|------------------|--------------------|
| 1        | 34,210.0        | 11,754.4         | 22,455.6           | 16       | 5,507.2         | 4,368.2          | 1,369.9            |
| 2        | 223,341.9       | 219,099.0        | 4,243.0            | 17       | 24,792.7        | 23,896.4         | 2,780.8            |
| 3        | 14.2            | 3.3              | 10.9               | 18       | 324.9           | 319.2            | 146.6              |
| 4        | 236,165.9       | 175,861.5        | 60,304.3           | 19       | 1,047.3         | 1,104.8          | 429.0              |
| 5        | 46,494.8        | 29,244.3         | 17,250.5           | 20       | 7,235.6         | 6,963.1          | 1,182.7            |
| 6        | 1,393.3         | 1,249.2          | 144.1              | 21       | 5,660.9         | 7,871.9          | 2,603.2            |
| 7        | 25,701.0        | 23,791.4         | 1,909.7            | 22       | -               | -                | -                  |
| 8        | 31,911.8        | 30,681.5         | 1,230.3            | 23       | -               | -                | -                  |
| 9        | 52,462.7        | 50,077.9         | 2,384.8            | 24       | 107.9           | 82.0             | 33.6               |
| 10       | 1,659.8         | 1,350.4          | 309.3              | 25       | 312.0           | 286.5            | 47.7               |
| 11       | 1,654.9         | 1,542.5          | 112.4              | 26       | -               | -                | -                  |
| 12       | 4,418.6         | 3,392.1          | 1,026.5            | 27       | 50.4            | 44.0             | 10.4               |
| 13       | 126,796.1       | 111,797.6        | 14,998.5           | 28       | 93.3            | 61.3             | 40.3               |
| 14       | 53,665.1        | 48,038.9         | 5,626.2            | 29       | 0.1             | 0.0              | 0.1                |
| 15       | -               | -                | -                  | 30       | -               | -                | -                  |
|          |                 |                  |                    | Total    | 885,022.5       | 752,881.7        | 140,650.3          |





|    |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 15 | 0.012 | 0.012 | 0.012 | 0.016 | 0.003 | 0.038 | 0.010 | 0.011 | 0.087 | 0.014 | 0.009 | 0.013 | 0.008 | 0.020 | 0.000 |
| 16 | 0.032 | 0.007 | 0.011 | 0.004 | 0.059 | 0.006 | 0.004 | 0.000 | 0.006 | 0.005 | 0.006 | 0.003 | 0.015 | 0.011 | 0.000 |
| 17 | 0.007 | 0.030 | 0.034 | 0.008 | 0.020 | 0.006 | 0.002 | 0.000 | 0.002 | 0.013 | 0.018 | 0.006 | 0.020 | 0.016 | 0.000 |
| 18 | 0.002 | 0.003 | 0.001 | 0.029 | 0.001 | 0.002 | 0.009 | 0.005 | 0.001 | 0.010 | 0.006 | 0.005 | 0.007 | 0.009 | 0.000 |
| 19 | 0.015 | 0.018 | 0.013 | 0.132 | 0.007 | 0.017 | 0.026 | 0.018 | 0.015 | 0.050 | 0.032 | 0.009 | 0.010 | 0.019 | 0.000 |
| 20 | 0.012 | 0.053 | 0.001 | 0.004 | 0.011 | 0.154 | 0.002 | 0.000 | 0.002 | 0.003 | 0.007 | 0.001 | 0.002 | 0.004 | 0.000 |
| 21 | 0.009 | 0.040 | 0.000 | 0.013 | 0.170 | 0.165 | 0.001 | 0.000 | 0.002 | 0.005 | 0.001 | 0.000 | 0.000 | 0.001 | 0.000 |
| 22 | 0.005 | 0.007 | 0.003 | 0.001 | 0.010 | 0.002 | 0.242 | 0.000 | 0.013 | 0.005 | 0.000 | 0.001 | 0.001 | 0.001 | 0.000 |
| 23 | 0.015 | 0.012 | 0.010 | 0.009 | 0.009 | 0.005 | 0.047 | 0.058 | 0.041 | 0.008 | 0.010 | 0.003 | 0.005 | 0.009 | 0.000 |
| 24 | 0.096 | 0.061 | 0.044 | 0.051 | 0.036 | 0.028 | 0.029 | 0.030 | 0.035 | 0.028 | 0.018 | 0.017 | 0.025 | 0.034 | 0.000 |
| 25 | 0.079 | 0.047 | 0.017 | 0.065 | 0.026 | 0.027 | 0.060 | 0.045 | 0.030 | 0.047 | 0.060 | 0.015 | 0.040 | 0.048 | 0.000 |
| 26 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 27 | 0.002 | 0.002 | 0.001 | 0.001 | 0.001 | 0.000 | 0.000 | 0.001 | 0.001 | 0.002 | 0.001 | 0.002 | 0.001 | 0.001 | 0.000 |
| 28 | 0.003 | 0.005 | 0.002 | 0.003 | 0.001 | 0.000 | 0.001 | 0.001 | 0.001 | 0.004 | 0.002 | 0.001 | 0.046 | 0.002 | 0.000 |
| 29 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 30 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

Each column represents the domestic intermediate inputs required from other industries to produce one euro of output. For example, to produce 100 euro the paper industry requires 5 euro of intermediate inputs from the chemical industry (industry 9).



|    |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 17 | 0.017 | 1.039 | 0.049 | 0.020 | 0.033 | 0.022 | 0.009 | 0.004 | 0.009 | 0.024 | 0.025 | 0.010 | 0.027 | 0.026 | 0.000 |
| 18 | 0.005 | 0.006 | 1.003 | 0.036 | 0.004 | 0.005 | 0.015 | 0.007 | 0.003 | 0.013 | 0.009 | 0.006 | 0.009 | 0.011 | 0.000 |
| 19 | 0.032 | 0.032 | 0.025 | 1.165 | 0.023 | 0.036 | 0.050 | 0.027 | 0.025 | 0.068 | 0.046 | 0.014 | 0.020 | 0.031 | 0.000 |
| 20 | 0.023 | 0.070 | 0.016 | 0.016 | 1.055 | 0.202 | 0.007 | 0.002 | 0.007 | 0.014 | 0.014 | 0.004 | 0.009 | 0.013 | 0.000 |
| 21 | 0.021 | 0.067 | 0.012 | 0.026 | 0.221 | 1.244 | 0.006 | 0.002 | 0.007 | 0.015 | 0.008 | 0.003 | 0.006 | 0.009 | 0.000 |
| 22 | 0.011 | 0.013 | 0.007 | 0.005 | 0.017 | 0.008 | 1.321 | 0.001 | 0.019 | 0.009 | 0.002 | 0.002 | 0.003 | 0.004 | 0.000 |
| 23 | 0.026 | 0.021 | 0.019 | 0.019 | 0.020 | 0.016 | 0.071 | 1.065 | 0.049 | 0.015 | 0.015 | 0.006 | 0.010 | 0.016 | 0.000 |
| 24 | 0.117 | 0.080 | 0.062 | 0.075 | 0.064 | 0.058 | 0.052 | 0.039 | 1.048 | 0.044 | 0.031 | 0.023 | 0.038 | 0.048 | 0.000 |
| 25 | 0.107 | 0.070 | 0.044 | 0.097 | 0.060 | 0.061 | 0.098 | 0.057 | 0.046 | 1.071 | 0.078 | 0.023 | 0.058 | 0.069 | 0.000 |
| 26 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 1.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 27 | 0.003 | 0.003 | 0.002 | 0.002 | 0.002 | 0.001 | 0.001 | 0.001 | 0.001 | 0.003 | 0.002 | 1.002 | 0.002 | 0.002 | 0.000 |
| 28 | 0.004 | 0.006 | 0.003 | 0.005 | 0.002 | 0.001 | 0.002 | 0.002 | 0.002 | 0.005 | 0.003 | 0.001 | 1.049 | 0.003 | 0.000 |
| 29 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 1.000 | 0.000 |
| 30 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 1.000 |

Each element represents the direct and indirect intermediate inputs from industry  $i$  required to satisfy one euro of final demand for industry  $j$ .