

### WP 3 Estimation of inter-country input-output tables

Work package number	WP 3			Start date or starting events:	Month 7		
Work package title	Estimation of inter-country input-output tables						
Activity Type	RTD						
Beneficiary number	1	6					
Person-months per beneficiary	39	10					

#### Objectives

To provide inter-country input-output tables for 1995-2006 based on the harmonized supply and use tables from WP1 and the trade statistics from WP2. In addition, to provide aggregated and integrated versions of these tables required for various analyses in WP7 – WP9.

#### Description of work

To derive an inter-country input-output table, we start from the harmonized national SUTs constructed in WP1 (see Figure C1 in Appendix C) and combine these with the bilateral trade statistics derived in WP2.

Partner 1 (Groningen) is the main responsible.

The following steps will be taken:

1. Breakdown of import columns in each national supply table into country-of-origin, using proportions from trade data from WP2, distinguishing between products destined for final demand and for intermediate use.
2. Breakdown of export columns in each national use table into country-of-destination, using proportions from trade data from WP2 (see inter-country SUT for country A in Figure C2)
3. Breakdown of national use tables into domestic and import use tables, with an import use table for each trading partner. This will be done on the basis of a proportionality assumption, so it is essential to apply this assumption at the lowest product level possible for a country, depending on the national product-detail availability from WP1.
4. Creation of a full inter-country input-output table by combining the inter-country SUTs for all countries. This table will be of the industry by industry type as the environmental and socio-economic satellite accounts are mainly industry-based. The generation of the IO table will be done using the fixed product sales approach. In addition, purchasing power parities (PPPs) from WP6 will be used to express all entries into a common unit to correct for differences in relative prices across countries (see inter-country IO table for world in Figure C3).
5. Similarly as steps 1-4, but now to derive a constant price inter-country input-output table (IOT).

In addition, for some applications within this project, various aggregated and integrated tables are needed, both in terms of industrial classifications (e.g. total manufacturing instead of ten manufacturing industries) and country detail (e.g. a table for the European Union as a whole). These tables will be generated as well. Finally, the inter-country tables will be “completed” by an estimate for the Rest of the World.

#### Deliverables

D3.1 (month of delivery: 12): Set of preliminary harmonized inter-country SUTs for each country

D3.2 (month of delivery: 12): Preliminary inter-country world input-output tables in current international prices

D3.3 (month of delivery: 21): Preliminary inter-country world input-output tables in constant international prices

D3.4 (month of delivery: 21): Preliminary integrated and consolidated input-output tables for major regions

D3.5 (month of delivery: 36): Final set of harmonized inter-country SUTs for each country, Final inter-country world input-output tables in current international prices, final inter-country world input-output tables in constant international prices and final integrated and consolidated input-output tables for major regions.