

# Asia-Pacific Economic Cooperation and International Input-Output Analysis

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## Overview

- Why do we need international Input-Output analysis: a non-academic perspective
- APEC Conference on I-O modelling, Singapore, 24-25 November 2011
- Plans for 2012 and beyond

## A major driver of internationalization of economic activities in 2000s?

advances in  
transportation  
infrastructure

reduced costs and  
increased availability  
of information  
technology

opening of markets,  
unilaterally reduced  
regulatory barriers

Global Supply Chains

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## Supply Chains $\approx$ Value Chains $\approx$ Production Networks development in 2000s

- economic integration via markets vs. integration via agreements
- making Asia Pacific an economic region (“factory Asia”)
- “... *Global Supply Chain is quickly emerging as the key organising framework and business model for production, investment, and trade in an expanding range of product groups including garments, furniture, automobiles, consumer electronics, telecommunications, IT, as well as business and health services*” (Facilitating Global Supply Chains, APEC Discussion Paper, doc. No. 2011/CSOM/017)

## Enabling policies for global supply chains?

- Managing growing economic interdependence – addressing barriers to supply chains – identifying and tracing supply chains
- Complex issue:
  - trade policy and market access
  - job creating effect
  - environmental effects...
- Indirect, inter-industry linkages: “... we can see that the *production and sales of finalized goods and services are deeply intertwined with the provision of other goods and services*” (APEC document cited)

## Distribution of value for iPad

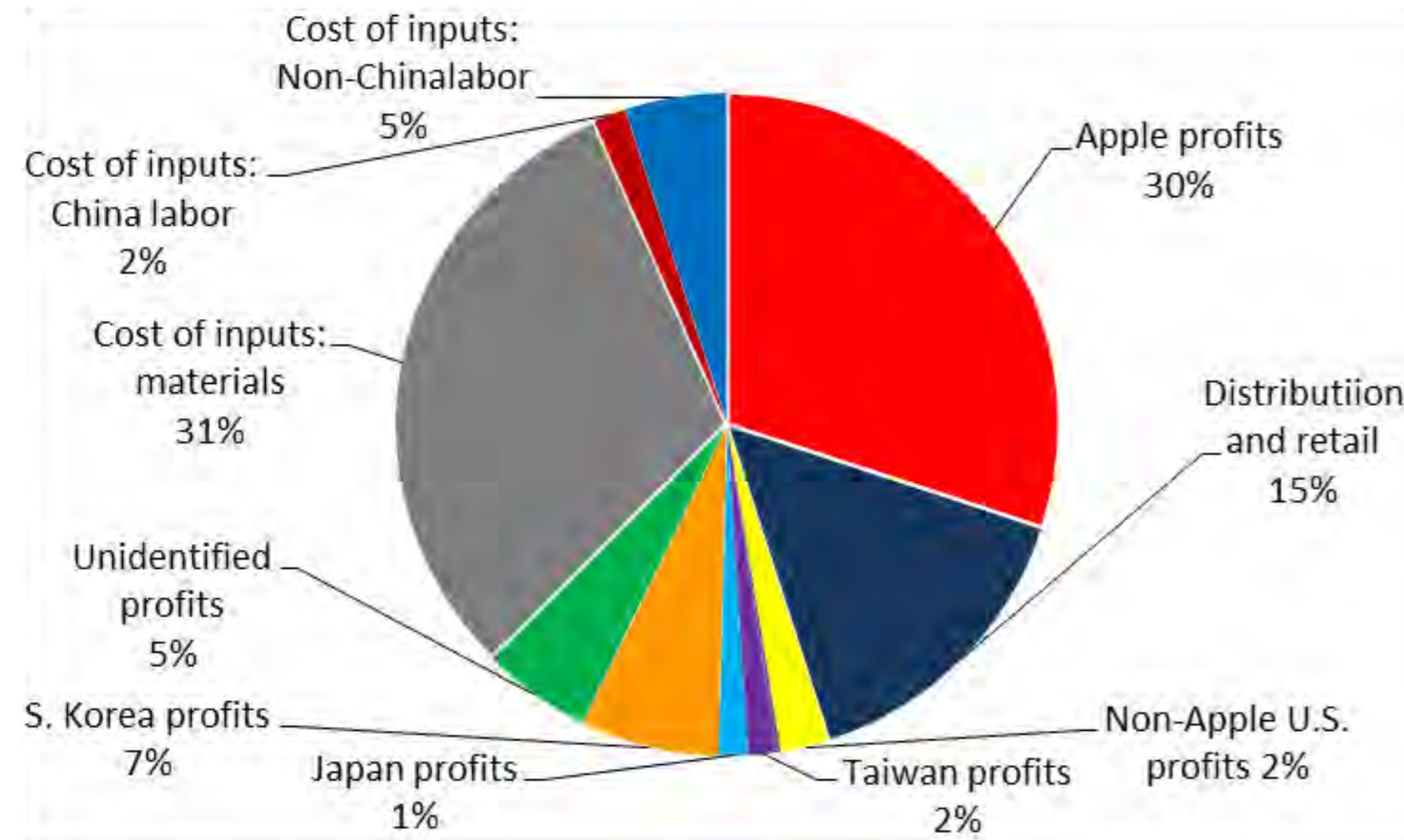


Image: Reuters

Source: Kraemer, Linden, Dedrick (2011)

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International IOT are a relevant analytical framework to capture the complex nature of evolving global supply chains

- Analysis required at industry and product level, but allowing for inter-industry linkages
- Getting engaged in global value chains: from piecemeal approach to holistic approach

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## Building APEC Economies' Capacities of Employing Input-Output Tables for Advanced Economic Modeling APEC Conference, Singapore, 24-25 November 2011



- Sponsored by the Ministry of Economic Development of the Russian Federation
- Organized by the Higher School of Economics, Moscow



## APEC Conference: purpose and agenda

- Purpose: to explore whether international Input-Output tables and related models may be a practical tool for impact analysis of various APEC policy initiatives
- Agenda: focused on two policy areas which have generated significant interest from both APEC officials and the IO research community:
  - (1) regional economic integration via strengthened supply chains and
  - (2) better design of global environmental policies

## APEC Conference: conclusions

- IO based modelling applications are manifold and IO models are capable to provide multiple benefits to policy makers
- There may be no real substitute to survey-based, inter-industry, interregional information and modelling
- APEC should seize the moment by absorbing the knowledge and advice arising from IO models' solutions
- To raise policymakers' awareness, APEC members may explore this topic in an incremental way with practical outputs in the form of case studies, capacity building activities

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## Plans for APEC 2012 and beyond

- APEC initiative *Evidence based policymaking to support regional economic integration and sustainable growth*
- Purpose: to provide a consistent framework for capacity building in evidence based policy making, not limited to I-O analysis in principle
- Output: case studies, publications, briefings to APEC officials, training sessions for practitioners
- Indicative topics of interest:
  - Supply chains, trade in value added and implications for trade policy;
  - Job creating effects of production networks;
  - Low emission development strategies.

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## Plans for APEC 2012 and beyond (continued)

- Everyone is welcome to collaborate and make their achievements known
- Muhamad Noor, Executive Director of APEC Secretariat:  
*“Input-Output Tables could be one of the tools which might be suitable for that purpose [to gauge the progress towards our goals] and I look forward to members and experts advising us of their views in that regard”*
- Denis Hew, Director of APEC Secretariat’s Policy Support Unit:  
*“IOT statistics and analysis is a useful tool for policy making, including to show the impact of certain APEC measures in Trade Facilitation”*

## Contacts & information

- APEC IO Conference website  
<http://miso.hse.ru/en/2011apec>
- APEC Secretariat News Release  
[http://www.apec.org/Press/News-Releases/2011/1202\\_IOTs.aspx](http://www.apec.org/Press/News-Releases/2011/1202_IOTs.aspx)
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*Thank you!*