

APEC Conference

# Building APEC Economies' Capacities of Employing Input-Output Tables for Advanced Economic Modeling

Singapore, 24-25 November 2011

## APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

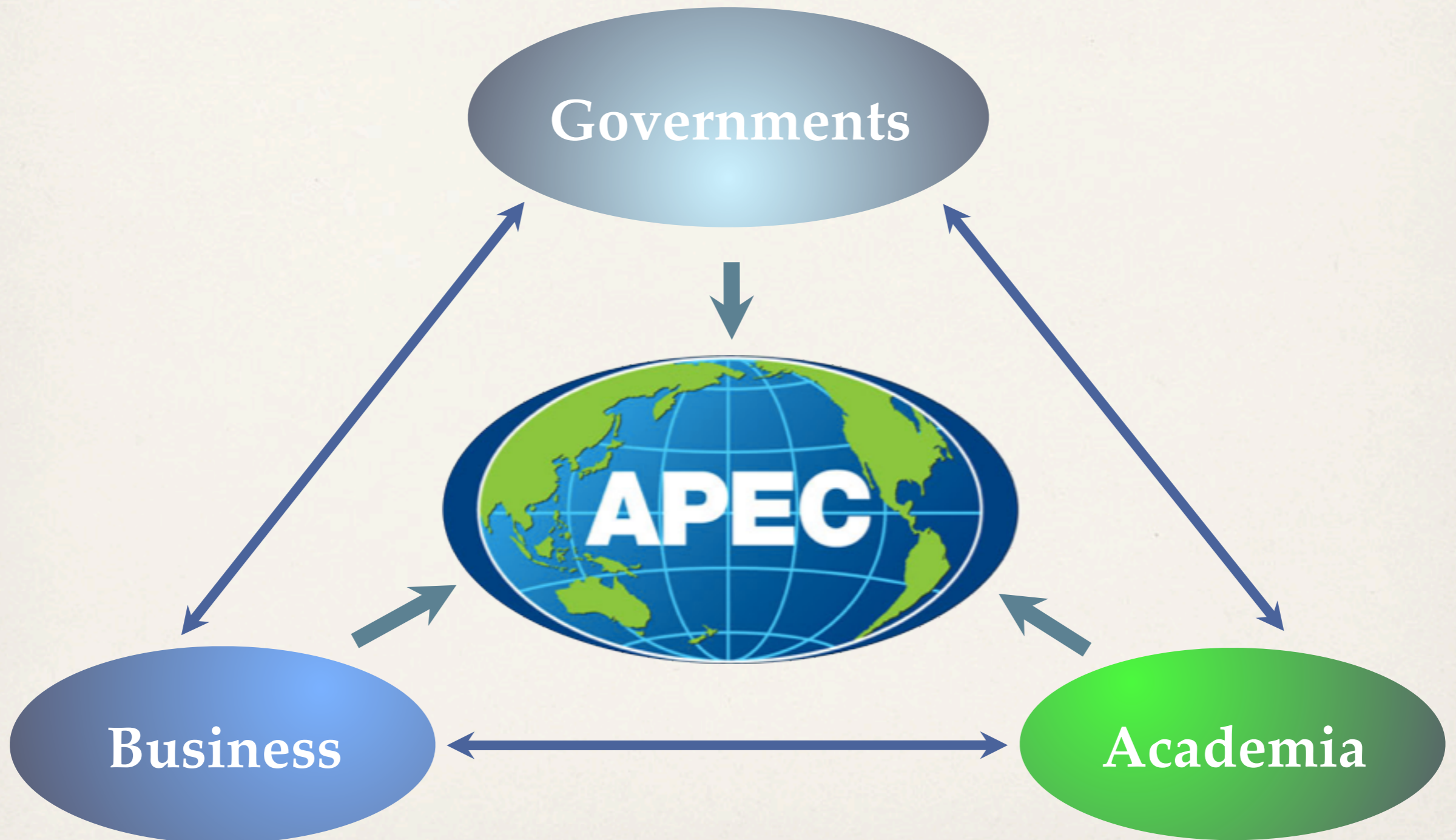
Kirill Muradov

Higher School of Economics (National Research University), Moscow

---

*25 November 2011*

# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration



# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

## APEC is not:

- ❖ a negotiating body
- ❖ an organisation legally binding its members

## APEC is:

- ❖ a flexible platform for multilevel dialogue, including the Head of State level
- ❖ an incubator of ideas that can reach out to a wide audience in the Asia Pacific and beyond

# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

APEC process largely involves creating 'soft norms' for economic policy advice, examples:

- ❖ how to remove chokepoints in the cross-border supply chains (on APEC agenda since 2009)
- ❖ how to promote green growth and energy efficiency within and across economies (priority topic in 2011)

Now, is it right time to take this policy advice forward with quantifiable models?

# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

In a wider, global context:

- ❖ there is a feeling shared by many researchers of a need for a global international Input-Output database

Can APEC use its strengths and play a role in these global efforts?

- ❖ note: economic modeling and statistics have not been explicitly addressed in APEC yet, nor has it mobilized resources to fund this type of activities

# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

Why may we wish to ‘marry’ the advances in I-O modeling with the APEC process?

- ❖ APEC’s pronounced interest in gauging economic integration, facilitating supply / value chains, promoting green growth and innovation etc.
- ❖ Asia Pacific importance as a home of ‘next generation’ trade agreements and partnerships (*e.g.* TPP) and its aspiration to generate model economic policies

# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

What are the feasible options for further collaboration? (1)

- ❖ Demonstration / Ad hoc studies / Training and capacity building

Examples:

- ❖ Further Analytical Study on the Likely Economic Impact of an FTAAP (2009)
- ❖ The Economic Impact of Enhanced Multimodal Connectivity in the APEC Region (2010)
- ❖ REI (Regional Economic Integration) Capacity-Building Needs Initiative (2010-2011)

advantage: minimal input of resources (time, money)

weakness: mostly ad hoc undertakings, not sustained over long term

# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

What are the feasible options for further collaboration? (2)

- ❖ Harmonization of existing IO accounts / Promotion of best practices for IO compilation and mapping

Examples:

- ❖ Good Regulatory Practices (2011)
- ❖ APEC Chemical Dialogue Virtual Working Group on the implementation of GHS (Globally Harmonized System for the Classification and Labelling of Chemicals) (2008)

advantage: dissemination of knowledge, spillover effects

weakness: risk of unclear outcome



# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

What are the feasible options for further collaboration? (3)

- ❖ Creating APEC's own IIO database

No preceding examples in APEC...

advantage: highly valued output, sustained collaboration

weakness: resource and time consuming exercise

# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

What are the feasible options for further collaboration? (4)

Choice of formats:

- ❖ APEC Pathfinder: a group of volunteering economies (at least half of APEC members) to define and carry out a work programme with concrete deliverables to APEC Economic Leaders

Examples:

- ❖ APEC Business Travel Card (ABTC) - the most successful, since 1997
- ❖ APEC Pathfinder on Facilitating Trade in Remanufactured Goods, APEC Pathfinder to Enhance Supply Chain Connectivity by Establishing a Baseline *De Minimis* Value - more recent (2011)

# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

Choice of formats (continued):

- ❖ APEC multi-year project – an APEC co-funded activity or series of activities to support APEC priority workstreams in the form of capacity building, training or compilation of databases

A new format; first multi-year projects with total budget up to US \$ 500 thousand proposed in mid-2011

# APEC Agenda and Input-Output Modeling: Preliminary Ideas for Collaboration

