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**TITLE: DEVELOPING A MULTI-REGIONAL CGE MODEL FOR CHINA BASED ON CHINA
INTERREGIONAL INPUT-OUTPUT MODEL**

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ABSTRACT:

With the economic growth in past decades, increasing regional disparity has become a severe problem and alleviation of regional disparity has been the key issue of regional policy in China. Meanwhile economic linkages across regions are increasing with liberalization and privatization of economic system and then pose impacts on regional economy. This paper developed a multi-regional CGE model for China (MRCGE2002) to provide a policy analysis tool for regional development issues. MRCGE2002 includes thirty regions and sixty sectors. To depict regional differences in economic scale and industrial structure and economic interaction across regions, MRCGE2002 consists of seven parts. The first three parts are Production technology, Local final demands, Import and export demands, which describe economic activities for each region. The next three parts are Interregional commodity flows, Interregional investment allocation, Interregional labor allocation, which present the main economic linkages across regions. The last part is macroeconomic closure and equilibrium. The database of MRCGE2002 for description of economic linkages across regions comes from China interregional input-output model 2002. MRCGE2002 simulation results may provide insights on differences in response of different regions to a microeconomic policy or a regional policy in China.