

## **Productive Structure and Trade Relations: The Case of the Western Border Regions of Paraná State, Brazil**

Topic: Regional input-output modeling V

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The aim of this paper is to analyze the productive structure and the trade relations, national and international, of the Western Border Regions of Paraná state in Brazil. Paraná is a state located in the southern part of Brazil, having borders on the west side with Paraguay and Argentina. To make this study, the state of Paraná was divided into five regions (three border regions, municipalities with distance from 0-50Km, 50-100Km, and 100-150Km from the border, a central region, and a seaside region). In the Brazilian case it is also important to know not only how these 5 regions are interconnected but also how they are connect to the rest of the country and the rest of the World. As so, based on the input-output database from the University of São Paulo Regional and Urban Economics Lab – NEREUS, we have estimated: a) an interregional input-output model for 6 regions (5 in Paraná and the other being the remaining of Brazil), for 2008; and b) the external trade relations of these regions. From the analysis of the data it was possible to point out the similarities and the differences among the regions, in order to identify the relevant sectors related to output, employment, income, and value added. The results also point out the importance for the Western border regions of traditional sectors of the state economy, i.e., Processed Food and Beverage and Agriculture. However, it is noteworthy that, in some situations, the sectors that most contribute to output, income, value added, and employment generate much of these benefits outside the regions, mainly due to the spillover effects to the other 2 Paraná regions and the rest of Brazil. These findings certainly need to be considered by policy makers when designing policies for the development of the Western Border Regions of Paraná.