Production linkages in Costa Rica: an application using the data from the Input-Output Table

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One of the main applications of data analysis provided by the input –output table has been the study of the economy structure and therefore one of the topics discussed is the identification of key sectors within the economy. This information is critical to develop of policy strategies in the public sector focused on boosting economic growth in the medium term, this is important especially for the case of the Costa Rican economy because in the recent years those activities related to services have become more dynamic. The target of this work is to build the traditional indicators of production linkages- forward and backward- for the Costa Rican economy by using the information from the Input Output Table 2011 (IOT-2011). The methodology used for this purpose is the standard derived from empirical applications developed by Chenery and Watanabe (1958) and has been widely used to address various issues regarding the intra-industry linkages. For the identification of the linkages and their importance within the Costa Rican economy the technical coefficients were weighted by their relative importance in the final demand, the exports and accordingly to the employment used in each activity. Additionally, the study cross the resulting linkages with tax information to analyze if the industries with the highest linkages are those who received some tax benefit. The preliminary results of this study allowed us to know that activities such as commerce and other servicies are key figures of the local economic activity.