Assessing the Economic Importance of Tehran's Region Based on Extraction Methods

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The interdependence of the production sector in the form of inter-industry linkages are of particular interest in the input-output analysis, to compare the production structure. The comparison can be focused on inter-industry or inter-regional production structures. The main aim of present paper is to quantify the regional linkages between Tehran region (province) and the rest of Iran using regional extraction method. In the regional extraction method one (or more) region is extracted from an inter-regional model and examined the total output reduction due to extraction. We will empirically examine different types of extraction methods to investigate which one is more appropriate. These methods are: original extraction method, Cella’s extraction method (1984), pure regional linkage (Sonis 1995), and total absolute linkage (Dietzenbacher and Linden 1997). For this purpose we use two-region input-output table (Tehran and the rest of Iran), for the year 2001. Key words: Tehran Region, Extraction Method, Linkages

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