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TITLE: ESTIMATION OF THE CHINA'S INTER-REGIONAL TRADE BASED ON 2002 IO TABLES

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ABSTRACT:

China is a large country with great differences among regions in terms of geography, resources, level of economic development and culture. The inter-regional trade is very important factor to effect regional economic development in China, as well as economic structure division of labor among the provinces. However, there is no official inter-regional trade data, this arises many difficulty in analyzing the regional economy and constructing the multiregional model and so on. This paper will estimating the China's 30-region trade for 42 sectors based on the 2002 provincial Input-Output Tables and some other inter-regional trade data such as some commodities' trade through railway. In the procedure of estimating the inter-regional trade, the method of Cross-Entropy and gravity model are used. Using the estimated inter-regional trade, this paper analyzes the dividing of china's sub trade-region, i.e., the provinces which trade most between each other. It was found that china can be divided by some sub region according to regional trade. Policy recommendation will be given based on the results of inter-regional trade and the dividing of sub-trade regions