Non-survey Method for Estimating a Multi-regional Input-Output Model in China

Topic: Regional input-output modeling 2
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This paper proposes a method for estimating a multi-regional input-output (MRIO) model for China under the limitations and constraints of trade flow data over the regions. The MRIO model proposed here is the Chenery-Moses-type column model, in which an interregional trade coefficient is estimated using the Leontief-Strout Gravity (LSG) model. It is important to estimate the spatial friction parameter Q of LSG. Thus, in this paper, we tested parameter Q, estimated with random variables and distance data. We concluded that we can construct an MRIO model using the LSG model with random variables and distance data as the information on spatial friction of trade flows.